

NORTH HERTFORDSHIRE COLLEGE FURTHER EDUCATION CORPORATION

Minutes of a meeting of the Corporation Board of North Hertfordshire College, held in Room B102, Hitchin, on Monday 5 September 2016.

PRESENT

Richard Alberg (Chair)
Lynne Ceeney (Vice Chair)
Matt Hamnett (Principal/CEO)
Paul Holgate
Nick Chesher

Peter Johnston
Vernon McClure
Jeremy Newman
Ruth Orpwood

IN ATTENDANCE

Kit Davies (Deputy Principal, NHC)
Lucy Hann (Managing Director, Hart Learning and Development)
Yvonne Laird (Finance Director) (Items 1 to 5 only)

Gary Phillips (Executive Director, Quality and Innovation) (Items 1 and 2 only)
Robert Dale (Clerk to the Corporation)

ITEM 1a: APOLOGIES FOR ABSENCE

- Apologies for absence had been received from Adrian Hawkins and Rob Irving.

ITEM 1b: DECLARATIONS OF INTEREST

- None.

ITEM 1c: MINUTES OF THE PREVIOUS MEETING

- The Minutes of the meeting held on 6 June 2016 were signed as an accurate record of proceedings.

ITEM 1d: MATTERS ARISING/ACTIONS

- *Circulate data on staff turnover. **Action complete.*** This would be covered in a regular data dashboard reported to the Remuneration Committee.
- *Sign-off budget with the Chair, Vice-Chair and Audit Chair. **Action complete.***
- *Implement sub-contracting plan and ensure rationale for fees and charges is made available. **Action complete.*** Further work reported in Item 3.
- *Implement agreed approach to employment proposition. **Action under way.***
- *Establish programme of meetings for Remuneration Committee in 2016/17. **Action complete.*** The Committee is discussing a schedule on 13 September.

ITEM 2: RESPONSE TO OFSTED RECOMMENDATIONS

The Quality and Innovation Committee had reviewed the proposed action plan on 24 August and endorsed the paper. Governors were pleased that Ofsted had not identified issues that the College had not already highlighted, and that inspectors had agreed that the actions in place or planned were the right ones. Governors asked:

Question: *How could Governors be sure that actions planned were happening, and making a difference?* Governors could monitor progress in several ways:

- Through the Quality and Innovation Committee, which would scrutinise quality improvement activity and plans in detail.
- By participating in self-assessment report (SAR) validation panels in October.
- By participating in the Ofsted support and challenge visit (1 December) which would provide some external validation of staff claims of progress.
- By continuing to scrutinise closely and challenge regular reports to the Board.
- By taking part in learning walks. These give Governors the chance to see teaching at first hand and speak directly to students/staff about their experiences.

These and other activities will all help Governors triangulate and check that progress is being made and quality improving. The Chair of the Quality Committee will also be scrutinising/challenging progress with the CEO at the beginning of October and would report to the following Board meeting on his findings.

Question: *What support was there for Learning Walks?* A reporting template had been shared previously and would be supplemented with key points from the Ofsted report and the Common Inspection Framework to help Governors identify areas for focus and questioning.

Action: Circulate suggested questions to ask students and staff.

Question: *How would students and parents know about how Ofsted's recommendations were being addressed?* There had been a lot of communication with students and parents. The Student Executive will be engaged, once appointed, and would check student views; students asking their peers was a powerful tool.

Question: *What aspects of the plans had changed as a result of the inspection?* Nothing fundamental, because the inspection had found nothing of which we were not already aware and inspectors had been positive about action in hand for 2016/17. There had been additions and enhancements, e.g. with respect to compliance tolerances, staff communication and development activities. Action in hand could be summarised for each of the areas for improvement identified in the Ofsted report.

Action: Summarise quality improvement response against each of the areas Ofsted identified for improvement.

Question: *How should we prepare for the Ofsted visit on 1st December?* Our having made good progress by the time of the Ofsted visit is critical, and could shape the timing of our re-inspection. Critical areas of focus will include:

- Clearly embedding the '3 Ps' and associated standards in our staff communications, and making demonstrable progress in each area including with respect to compliance with agreed standards and processes.
- Leaders, managers and staff working towards our agreed critical path for the year, making sure that we are keeping pace with that plan and delivering milestones to agreed standards.
- Using learning walks to monitor progress, triangulate feedback from other processes and – crucially – to inform further development, communications and management priorities.
- Providing Governors with chances to see and content themselves that progress is being made – such that they are in a position to engage positively with Ofsted.
- Capturing learner and employer feedback throughout the year so that it can be used to inform in-year developments and validate progress.

ITEM 3: HART L&D BUSINESS PLAN

This item covered two issues: the latest business plan and an update on the government's apprenticeship policy implementation. Governors asked:

Question: *Was forecast volume growth with existing clients realistic?* The basis was what existing clients were expected to pay in levy, discounted by an assessment of the current likelihood of their doing so via Hart L&D.

Question: *What was the on-cost to an employer of taking on an apprentice?* The costs were substantial, on top of tuition, but employers would now be able to support apprenticeships in a wider range of areas and for more of their employees (eg to train managers or give professional qualifications) not just to recruit 16-18 year-olds.

Question: *How much did costs vary between apprenticeships?* The value of support for different apprenticeships and the costs of delivery varied widely. Hart L&D will transition to new standards in our target sectors as quickly as possible. However, not all sectors yet have a full set of standards available. The transition would need careful management – including assessing financial implications, etc.

Question: *How was delivery being managed?* The need to deliver 20% of learning 'off the job' did not mean it had to be given face-to-face; other approaches (on-line, conferences, self-researched assignments etc) can be used to support students.

Question: *Would Hart L&D's 2016/17 business plan be delivered?* The greatest risks to delivery are that government changes the levy implementation timescales, and or that employers defer volumes until the levy is in place.

Question: *The main risks to the Hart L&D business plan were financial. Who was accountable for finance in the business?* Financial support came from group corporate services (Yvonne Laird); the Hart L&D team is actively engaged though – on the same basis as e.g. Kit Davies with respect to NHC.

Question: *How were bid/no bid decisions reached?* A deal qualification process was being embedded, modelling practice from the commercial sector. The CEO, finance and quality teams scrutinised all major proposals before they were submitted to clients.

Action: Share example deal review papers and commercial models with Chair of Audit.

Action: Bring a paper on the Executive's Schedule of Delegation to the next meeting.

ITEM 4: FINANCE UPDATE

Members asked for more information about three points in the paper:

- Why had Fixed Assets decreased by £3.4m since the Balance Sheet was last presented to the Board (June £42,349k, now £38,903k).
- Why was the Surplus/(Deficit) for the year reported as £1,403k surplus, when the Profit and Loss account showed a £688k deficit?
- Why had the Pension Liability in Net Assets been revised to -£8,267k but the Pension Reserve in Retained Surplus/(Deficit) was unchanged at -£8,325k?

The following responses were given:

- The Fixed Assets figure was different because disposals (Shephalbury playing fields and the Centre for the Arts) have come through to the Balance Sheet.
- The difference between the Surplus(Deficit) and the P&L relates to non-operating items – the profit on the disposal of fixed assets (as above) and an estimate of the loss incurred by Plaza Activity Ltd in 2015/16. The values were £2.3m profit on the disposal of fixed assets and £0.2m loss incurred by Plaza.
- The Net Pension Liability was revised to take account of a KPMG audit adjustment relating to pension matters - which had been put elsewhere in the Balance Sheet. We thus included this adjustment with the rest of the pension figures, while seeking more information from KPMG.

Question: *Was the estimated loss of Fit4Less for the year, or did it include 'rolled up' losses?* The estimated in-year loss was c£100k and actions were in hand to limit that. However, closing the business would crystallise liabilities, which made it less costly to keep it running for the present while looking to improve the position.

Question: How far could the pension deficit grow in the very low interest rate climate? Several other factors – such as Area Reviews – might encourage actuaries to take a more pessimistic view, but equally, some assumptions (eg about the level of pay growth) were unduly high. Seeking professional advice should be considered but the Board felt that there were unlikely to be major difficulties in the next financial year.

ITEM 5: CORPORATE RISK REGISTER

Governors discussed the Risk Register. Categorising risks was not an exact science, but members endorsed the overall classification; the three top risks were appropriately significant. For example, were the SFA not to accept a 'growth' case for additional funding in November, this would create real difficulties for the business.

ITEM 6: POLICY REVIEW – SAFEGUARDING

The revised Safeguarding Policy had been considered at Safeguarding training on 20 June; it was fit for purpose and followed local authority templates. The Safeguarding Annual Report would be presented at the next meeting. **The Board confirmed that it had reviewed and endorsed NHC's Safeguarding Policy.**

Action: Present Annual Safeguarding Report to the meeting on 17 October.

ITEM 7: HART LEARNING GROUP – HEALTH AND SAFETY UPDATE

Members noted that a Health and Safety Manager had been appointed following a review of the Estates team and in response to the increased needs of the business.

ITEM 7: ANY OTHER BUSINESS

- Analysis of the NHC examination data was tabled for information; members noted that the Quality and Innovation Committee had reviewed initial data as soon as it had been received.
- The Remuneration Committee would meet on Tuesday 13 September at Hitchin.

ITEM 8: DATE OF NEXT MEETING

- Monday 17 October 2016, at Hitchin, starting at 18.00. A different room would be selected as B102 had been uncomfortably hot.

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Signed – Chair of Governors

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Date

CORPORATION ACTION LOG

Meeting	Minute Reference	Summary of Action	Lead/timing
05/09/16	2	Circulate suggested questions to ask students and staff.	Gary Phillips 30/09/16
05/09/16	2	Summarise quality improvement response against each of the areas Ofsted identified for improvement.	Gary Phillips 30/09/16
05/09/16	3	Share example deal review papers and commercial models with Chair of Audit.	Lucy Hann 31/10/16
05/09/16	3	Bring a paper on the Board's Schedule of Delegation to the next meeting,	Robert Dale 30/09/16
05/09/16	7	Present Annual Safeguarding Report to the meeting on 17 October.	Kit Davies 10/10/16