

## HART LEARNING GROUP

Minutes of a meeting of the Hart Learning Group Board, held on Monday 1 April 2019 in the Council Chamber, the old Town Hall, The Broadway, Letchworth.

### PRESENT

Andrew Simmons (Chair)  
Liz Calver (Staff Governor)  
Kit Davies  
Peter Johnston  
Daniel King (Student Governor)

Jacky Price  
David Stern  
Rhys Thomas (Observer, ESFA)  
Jack Tomlinson

### IN ATTENDANCE

Lucy Hann (Chief Operating Officer)  
Paul Harte (Group Finance Director)  
David Hitchen (Corporate Services Director)  
Emma Masters (Head of Student Services)  
(Item 3 only)

Gary Phillips (Director, Quality, Curriculum  
and Organisational Transformation)  
Lindsey Sherring (Director, Hart Learning &  
Development Ltd)  
Robert Dale (Company Secretary)

### WELCOME

- The Chair welcomed Jacky Price, a new Board member, joining in person, after having participated by telephone in the meeting held on 22 March. He also welcomed Emma Masters, Head of Student Services, who would be presenting Item 3.

### ITEM 1A: APOLOGIES FOR ABSENCE

- Apologies for absence had been received from Lynne Ceeney, Danny Malyon, Vernon McClure and Liz Mitchell.

### ITEM 1B: DECLARATIONS OF INTEREST

- The Chair declared that he was a Trustee of Herts for Learning.

### ITEM 1C: MINUTES OF THE PREVIOUS MEETING

- Minutes of the meeting held on 4 February and 22 March 2019 were approved and signed as an accurate record of proceedings.

### ITEM 1D: MATTERS ARISING/ACTIONS

- Actions had been addressed as follows:

#### *4 February 2019*

- Develop paper on strategic direction and report to the Board in early 2019. **Action complete.** On the agenda at Item 7.
- Prepare and circulate a Search Committee report. **Action complete.** An update is on the agenda at Item 2.
- Add HE Programmes to a future Board agenda. **Action complete.** Currently included on 20 June draft agenda.
- Canvass dates and times for a strategic discussion about budget setting. **Action complete.** To be discussed under Item 12 (Date of Next meeting).

- Add 'New Ofsted Inspection Framework' to a future Board agenda. **Action complete.** Intended to be included in programme for 28 June Awayday.

22 March 2019

- Create a framework for reporting on financial covenants and the risk of events of default arising to the Finance Committee and Board. **Action under way.** Specific reporting will be included in the monthly management accounts for all of the key measures (some are already covered).

## ITEM 2: APPOINTMENT OF BOARD MEMBERS

- Board members had approved the appointment of a new Board member, Jacky Price, between meetings and a letter of appointment had been issued with effect from 21 March 2019. Board members also noted that the term of office of the Vice-chair, Lynne Ceeney, came to an end in April 2019. She was willing to serve again for a second term - although she had also expressed a wish to stand down as Vice-chair.
- The Board ratified the appointment of Jacky Price, approved by circulation, and the re-appointment of Lynne Ceeney, noting that the Search Committee should consider a successor as Vice-chair.

**Action:** Issue re-appointment letter and invite the Search Committee to consider a successor Vice-chair.

## ITEM 3: ANNUAL REVIEW OF SAFEGUARDING POLICY

- Emma Masters attended the meeting to present the updated Safeguarding Policy. This was an annual requirement. The changes made to the policy had been highlighted in the paper circulated. The policy was based on the model developed by the Local Authority Designated Officer (LADO), and an additional amendment (to include the new title of the Local Safeguarding Partnership (not Board, now) would be included. Most of the changes were adding the names and dates of key safeguarding guidance and obligations. The policy covered not just children but vulnerable adults.
- Governors noted that the Designated Senior Person (DSP) for the College was Sarah Robins, with Emma Masters being the operational lead.

**Question:** *How do longer-serving staff have their training updated?* There are regular updates through the quality team and manager briefings.

**Question:** *Are governors expected to complete Safeguarding training?* Yes, governors needed to undertake training periodically. Links to online training options had been circulated previously and would be recirculated to members who had not completed it.

- **The Board approved** the revised Safeguarding Policy.

**Action:** Circulate links for online training to the Board again.

## ITEM 4: HERTVEC

- The Board considered a report from Paul Harte, who was one of the Group's two directors on the Hertvec Board. Hertvec was a joint venture between two UKL colleges (NHC and Hertford Regional College) and a Saudi Arabian business (Samama) to operate three vocational training colleges in the Kingdom of Saudi Arabia. The contract had been entered into with the encouragement of the government department responsible for promoting UK education and training abroad.

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countermeasures were visible signs of security, but other approaches (such as developing closer links with police community support teams) should also be discussed. Drug dogs already visited campuses periodically, and the police had also offered access to security measures such as a knife arch. Software was already pushing security alerts to staff, and there was a managers' rota to monitor common areas at key times. So far, there had been no issues, but SMT were aware of the need to remain vigilant and ensure appropriate processes and systems are in place maintain site security. .

- Students asked whether a social space could be provided at the ECC. This would also be considered over the summer.
- **The Board welcomed** the feedback from students and thanked the student governor for his work on engagement with the student body. It was very supportive of the need to improve technology provision across its campuses.

## ITEM 6: CHIEF EXECUTIVE'S OVERVIEW

- Members discussed the report circulated and noted the following key points:
  - Borrowing arrangements had been completed on 26 March 2019, following Board sign-off on 22 March and the loan of £2.75m from the Department for Education had been received on 29 March.
  - The current priority for the Executive was to bring the financial forecast back in line with budget.
  - There were improved outcome forecasts across most areas of the business; the dashboard highlight risks around apprentice Timely achievement rates, Attendance, particularly at Maths & English lessons, and usage of the Adult Education Budget (AEB) allocation.
  - The FEC visit in January had produced a report and nine more actions – most of which had already been addressed. A further visit was expected in the summer. The Commissioner's team seemed to think that staff costs were too high as a percentage of income; the Board would want to have a good clear understanding of the forecast position at its next meeting. An independent benchmarking report had been commissioned and would be available to present by the end of the academic year.

**Question:** *Apprenticeship revenue was forecast lower. What was the risk that it would not achieve this future target?* The expectation was that Apprenticeship revenue would be higher than the £4.3m now forecast. There was also potential upside from AEB funding from devolved authorities which had yet to be confirmed. Projecting the AEB allocation was difficult because it would be recalculated in July based on the number of learners being 'carried-forward' from the 2018/19 year. There was also a need to discuss the mix and balance of 16-18 year-old students assumed in the allocation – which currently included a disproportionately large number of students in lower funding bands as compared to the reality of the 2018/19 recruitment pattern.

**Question:** *What had the uptake for the voluntary severance offer been like?* It was too early to be specific; 15 April was the deadline for applications.

- **The Board noted** the CEO's report, welcoming the financial detail provided in this and the following item. While the Board was concerned about the small increase in the forecast deficit, it welcomed the transparency and early warning of a potential issue. A detailed report would be made in June identifying how this had been addressed.

**Action:** Report on bringing the 2018/19 budget back in line with plan at the next meeting.

■ [Redacted]

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### ITEM 7: FIRST DRAFT STRATEGIC PLAN 2019 – 2023

- This was an early draft, circulated to give members a sense of direction, grouped under themes: Developing a Responsive Curriculum, Delivering Consistently Outstanding Teaching and Learning, Culture and People Development, Building Financial Resilience, and Local and National Engagement.
- The second draft would be available for review at the Board's awayday on 27 June, and the aim was to launch the new strategic plan in September. The five themes were in alignment with those of the Hart Schools Trust.

**Question:** *What was the audience/readership for the document?* Once agreed, it would be published online, and would have both internal and external audiences. Detailed plans supporting each theme were most relevant to staff; this document would provide them with an overview of our direction, values and goals. Prospective employees were a further potential audience and the document could readily be adapted to video delivery.

**Question:** *Could the imagery used be more diverse – eg including more of students with disability?* Yes; the presentation was indicative at this stage.

**Question:** *Given the balance of the Group's activity, should the document not place more weight on College activity?* This would be reviewed in the next draft. It would be helpful if the document could address the question of the nature of the Group.

- **The Board advised** that the purpose and audience for the document be kept firmly in mind when preparing the second draft and that messages be clear and concise.
- **The Board agreed** to provide further comments on the initial draft before a review of the next version at the Awayday on 27 June 2019.

**Action:** Remind absent Board members that their feedback on the initial draft Strategic document would be welcomed.

### ITEM 8: FEBRUARY 2019 MANAGEMENT ACCOUNTS

- These had been discussed by the Finance Committee at its recent meeting. The Committee had noted the Management Accounts, expressed concern about the latest forecast outturn and noted that action was being taken to address the situation.
- The Board noted year on year comparisons, which showed higher revenue and lower pay and non-pay costs – positive indicators. However, there remained risks associated with delivering outcomes against AEB funding allocations and for

apprentice recruitment. Both areas were being monitored closely. The cash position was much improved and now was forecast to be positive through to July 2021, when the DfE loan was due to be repaid. Although this reduced the financial pressure, it was vital to maintain a prudent approach to planning and a rigorous approach to delivery.

- The Board noted that the SMT and management understood the Group's current financial position and need to deliver revenue and manage cost closely in 2019/20.

**Question:** *The Estates forecast was worse than budget at present. What was the reason for this?* There had been a greater need for reactive maintenance spend than expected.

**Question:** *What was the reason for overspending on exam fees?* The forecast cost of exam fees in 2018/19 had been c£750k, and the overspend arose because (a) more learners were carried over from 2017/18 to 2018/19 than expected; and (b) actual costs were materially affected by the mix of learners and courses being taken by them. This was a very difficult area to forecast accurately. Negotiations with awarding bodies took place to try to mitigate costs, but there was limited competition in some study areas and little room for discounting.

- **The Board noted** the February Management Accounts and asked that an update be given at the next meeting on action to bring the full year forecast back to budget.

## ITEM 9: CURRICULUM AND QUALITY UPDATE

- As the Q&I Committee had discussed on 13 March 2019, performance was broadly in line with expectations at present. While there was still plenty of room for improvement (for example, for Maths & English and at the Engineering and Construction campus (ECC) the forecast outcomes were expected to be at or above the national average. All curriculum areas were progressing self-assessment work and although no changes to the overall grades were expected, there was still evidence of improvement. For example, Business and Travel and Creative Arts were now strong Good.
- Governors noted that a successful Maths & English week had taken place and would be timetabled earlier in the academic year in 2019/20.
- The biggest challenge remained at the ECC. Effort and resource had been deployed to continue to press for improvement, and the Q&I Committee had asked for a 'deep dive' report on the ECC for its next meeting in May. At present, the area was still self-assessing as Requires Improvement – although there had been progress and good summer results might warrant a better assessment.
- For apprenticeship delivery, while forecast overall achievement (OA) rates were acceptable and in line with national benchmarks, timely achievement (TA) was still falling short. As the Q&I Committee had discussed, this reflected problems with healthcare sector apprentices, some legacy apprentices taken on from poor performing sub-contractors and long programmes at the ECC. Actions were being taken on all of these, including ending one healthcare contract.
- End Point Assessment (EPA) was a success story, with strong outcomes for apprentices, nearly a third of whom were getting higher grades. Traineeships and Employability programmes were also performing well; effective analysis of a problem with the employability offer had reduced the first day dropout from 36% to 3%.
- **The Board welcomed** a positive report, noting that the challenge of improving outcomes for students who had failed Maths and/or English GCSEs could not be underestimated; it was very hard to persuade them that the specific curriculum was relevant to their future employment.

## ITEM 10: CORPORATE RISK REGISTER

- The paper highlighted changes since the previous meeting and risks rated 'Red' after mitigation. Three risks had been closed: breach of VAT regulations; loss of a key client as a result of the publication of the Financial Notice to Improve; and Term 1 apprentice recruitment (for which a Term 2 risk had been opened). The risk linked to the Transaction Unit finding bid would also be closed funds having now been released.
- The remaining Red risks concerned [REDACTED], HE recruitment (which was expected to remain static in 2019/20, but could fall further) the Timely Achievement rate for apprentices and the potential risk to income arising from the devolution of Adult Education Budget (AEB) funding.

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**Question:** *Was there any link between lower marketing spending (shown in the management accounts) and lower HE recruitment?* There was little marketing activity targeted specifically on HE recruitment, which largely arose from UCAS and the University of Hertfordshire consortium. The loss of HE recruitment was attributable to a change in approach to recruitment by the University sector. Parties to the consortium were discussing changes to reflect the new position, including removing the £75k consortium fee paid by each college member.

**Question:** *Would higher Teacher Pension Scheme contribution costs be offset by increased funding rates?* The government was covering the extra cost in 2018/19. The assumption was that the Group would have to cover the increase in future, at a cost of c£300k pa.

- **Governors accepted** the report.

## ITEM 11: ANY OTHER BUSINESS

### *NHC Fees and Charges Policy*

- The Board needed to review this annually. The updated policy, for courses starting in the next academic year, was not materially different from the current policy, in line with funding body guidelines and continued to include support for cases of financial hardship. Should the Board approve, it would be published on the NHC website.
- **The Board approved** the updated Fees and Charges Policy for 2019/20.

**Action:** Publish the updated Fees and Charges Policy for 2019/20 on the NHC website.

## ITEM 12: DATE OF NEXT MEETING

- Members considered a proposal to hold an extra half day meeting to discuss financial planning and the business plan before the next scheduled meeting. As there had been a detailed discussion about the BDO report and the financial recovery plan, an additional meeting was not desirable. Members who wished to have more information about Hart L&D and ECC planning were welcome to attend forthcoming presentations.

**Action:** Invite Board members to attend Hart L&D and ECC business planning meetings.

- The next meeting would take place on Thursday, 20 June 2019, at the old Town hall, Letchworth, starting at 18.30.

## ITEM 13: GOVERNOR DASHBOARD

- The dashboard for February 2019 had been circulated with the pack.

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Signed – Chair of Governors

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Date

## ACTION LOG

Meeting	Minute Reference	Summary of Action	Who	When
01/04/19	2	Issue re-appointment letter and invite the Search Committee to consider a successor Vice-chair.	Robert Dale	26/04/19
01/04/19	3.	Circulate links for online training to the Board again.	Robert Dale	12/04/19
01/04/19	6.	Report on bringing the 2018/19 budget back in line with plan at the next meeting.	Kit Davies	07/06/19
01/04/19	7.	Remind absent Board members that their feedback on the initial draft Strategic document would be welcomed.	Robert Dale	12/04/19
01/04/19	11.	Publish the updated Fees and Charges Policy for 2019/20 on the NHC website.	David Hitchen	26/04/19
01/04/19	12.	Invite Board members to attend Hart L&D and ECC business planning meetings.	Robert Dale	12/04/19