

**Governing Body meeting - Confidential
(reclassified and released 25 July 2018)**

- Date:** 12 June 2017
- Venue:** Boardroom City Campus
- Present:** Richard Wright - Chair
Jay Bhayani
Ian Brown
Paul Corcoran
Neil Fletcher
Chris Husbands
Chris Linacre
Sally Neocosmos
Saleem Rashid
Seb Schmoller
Amy Smith
John Timms
- In attendance**
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| Bella Abrams | Chief Information Officer |
| Rav Garcha | Financial Consultant |
| John Gray | Director of Marketing |
| Andrew Hartley | Director of Business Development |
| Alison Shillito | Clerk to the Corporation |
| Heather Smith | College Principal and Executive Director |
| Darren Tidmarsh | Executive Director, HR and SRI |
- 17/4/1** **Chair's comments and apologies for absence**
Apologies were received from Kathryn Atkin, Kim Streets, Gil Vasey and Anne Wilson. The meeting was quorate. The Chair confirmed it was a business meeting of the Corporation and that the business to be considered was confidential.
- 17/4/2** **Declarations of Interest**
There were no declarations of interest.
- 17/4/3** **Minutes of the meetings held on 15 and 25 May 2017**
The minutes of the meetings held on 15 May and 25 May 2017 were approved. Matters arising and the updated action plan will be considered at the next meeting on 17 July 2017. Clerk
- 17/4/4** **Appointment of Senior Post Holder - Executive Director of Finance and Resources**
Governing Body endorsed the written resolution, approved by governors via email, approving the appointment of Kathryn Platts as Executive Director of Finance and Resources.

Business Planning 2017/18

The Chief Executive Officer and members of the College Executive made presentations to the meeting that included proposals for organisation changes to meet the budget and growth criteria endorsed by Governors at their meeting on 15 May 2017 (Minute reference 17/2/9 refers). Governors were asked to consider the proposals with a view to approving commencement of consultation on restructure starting 13 June 2017, or otherwise.

- 6 The presentations explained that the main priorities for the College's draft 2017/18 Business Plan were to
 - i) Continue improving quality, to move from Ofsted 'requires improvement' to consistently good provision by investing in teaching and learning staff and reducing the proportion of the timetable taught by agency staff. This priority had come through strongly in the Learning Together Review as something the College needed to address.
 - ii) Support the growth in apprenticeship numbers by investing in technical staff and Teaching and Assessment Facilitators to support apprenticeship training in the workplace. This need had been highlighted by the recent growth in apprenticeship starts, which had out-performed the targets set for 2015/16.
 - iii) Streamline decision making and ensure effective internal communications and engagement in response to staff feedback.
 - iv) Set a budget that meets the budget criteria agreed by Finance, Employment and General Purposes Committee and endorsed by Governors at its meeting on 15 May as the best way of ensuring the financial viability of the College in 2017/18 and beyond.

Reorganisation

- 7 Organisation changes were proposed to streamline the College's management structure; to align curriculum providing structures with the routes in the Post-16 Skills Plan Technical Routes and to release resources from management and clerical posts for investment in new College establishment teaching and learning posts. The changes proposed would see a reduction in 40 (FTE) current posts - 12 clerical, 9 professional and 24 managerial posts - to fund investment in 40 new posts plus recruitment to 14 vacant posts where recruitment had been paused for cost and efficiency. The cost of the new posts would also be off-set somewhat by a reduction in agency costs as a higher proportion of the curriculum would be taught by the College workforce.
- 8 The Chief Executive Officer presented revised organisation structure charts to illustrate the main changes, which included
 - Streamlining current senior leadership team to reduce layers of management by removing Vice Principal and some Associate Principal roles.
 - Restructuring the 12 current curriculum areas into seven units, mapped against the Skills Plan routes. Each unit to be led by a Director who would have a dual focus on business growth and teaching and learning quality.
 - Embedding line management of Tutor Mentors within curriculum units to ensure tutor support is integrated in student programmes. This would remove the need for a separate line

management structure for tutor/mentors currently provided by Learning Support Managers.

- Better integration of information, guidance and advice (IAG) for learners across the curriculum. A new IAG manager role would be responsible for developing a framework for providing IAG and if necessary commissioning independent careers advice for those points in the student journey where students need that support. This would replace the current careers advice team.
 - Changes in Finance department to support a reduced number of curriculum units and streamlined processes.
- 9 The proposals also included a College Partnership Reward Scheme to emphasise collective responsibility of all staff in improving College performance.

Teaching and Learning

- 10 The College Principal presented the benefits, risks and mitigations of the proposals for teaching and learning quality. It was noted that all the College's key performance indicators for quality are on an upward trajectory and the College needs to maintain that momentum. The benefits of the proposals are
- i) Tutor mentors integrated into departments would make learner support more coherent. The Head of Service for Student Progression (existing post) would bring together IAG Manager, Heads of Learning Resource Centres and work placement staff to ensure that students receive consistent and coherent support.
 - ii) The new roles include much needed resource for assuring apprenticeship training quality; coaching staff and creating seamless student support and IAG arrangements from pre-entry to progression to employment or further study.
 - iii) A flatter structure to speed decision-making and strengthen communication through the organisation, which responds to issues raised by staff in Learning Together Review.
 - iv) The structure looks to the future, the Skills Plan routes and the priority sectors that our regional partners and employers say are needed.
- 11 The risk assessment of the proposal, acknowledged that the loss of senior staff could, in the short term, have a negative impact on operational efficiency. There are important areas of operation being transferred under the proposals for leading on IAG, safeguarding, campus management and receptions. Implementation plans would need to ensure effective transition and cover. The CEO commented that Executive Board had considered how to mitigate these risks. The timing of the change is intended to minimise the impact on learners and ensure new staffing and arrangements are in place prior to start of 2017/18.

Finance

- 12 The Interim Director of Finance outlined how the proposals would deliver a balanced budget and a strong 'satisfactory' or 'good' ESFA financial health score for the next two years. This would be achieved by using resource more efficiently and investing in future growth areas for the College. The proposals would generate a positive EBITDA score (i.e. the College would be able to maintain its cash reserves) and staff pay

as a percentage of income would be around 68%, which is higher than benchmark but not unreasonable for a large general further education college with a broad portfolio of vocational subjects.

Business Development

- 13 The Director of Business Development presented data on apprenticeship growth, nationally and the College's profile and forecast growth. The forecast for next year is that the College will enrol around 1350 new apprentices and apprenticeships in total would generate around £5.1m. This growth will need to be supported and quality assured and enhanced. Increasing the number and quality of apprenticeships will require investment in different staff roles and learning support arrangements, particularly as some large employers want the College to manage their apprenticeship training across the UK.

Sustainable growth

- 14 The Director of Marketing summarised the priorities for growth as
- i) Higher education - the College has already invested in developing new provision and committed capital expenditure to improving its physical spaces for HE learners. The forecasts are based on current students progressing and modest increases. There are risks as some new provision will not be validated in time for a 2017 start (74 applications affected) and some courses are recruiting more strongly than others.
 - ii) Learner responsive programmes for 16 - 18 year old students - the College has seen an increase in applications for these courses compared to last year. In the longer term, the College needs to be planning for a significant demographic upturn (over 6000 new young students enrolling by 2026). The additional provision required by those learners may be different, as more learners opt for apprenticeships and Tech Levels. In the short term, the additional learners secured under the sub-contract with SWFCCP should ensure that the College's 16 - 18 learner responsive provision increases in 2017/18.
 - iii) Priority sectors for portfolio development - the College has been reviewing its programme pathways for priority sectors to make sure it can support students through programmes and apprenticeships in a flexible way from level 1 to Level 6.
- 15 Governing Body considered the presentation as set out below.
- 16 Governors welcomed proposals that were forward looking and aimed at securing a sustainable staff resourcing model. They wanted to know if the proposed savings would be sufficient to cover the cost of the investment in new posts and secure a cash neutral budget. The Interim Director of Finance responded that there would be a small deficit in 2017/18 to cover the cost of the restructure and the investment in additional student numbers sub-contracted to SWFCCP. The full salary savings would be realised in 2018/19. It was noted that the additional commitment to take on the SWFCCP learners had been approved by FEGP Committee and endorsed by Governing Body at its meeting on 15 May. Although this would be a cost to the College in 2017/18, the lagged funding model would recognise the SWFCCP learners in the College's ESFA grant in 2018/19.

- 17 The College does not currently participate in the Teaching Excellence Framework (TEF) for higher education and this may make it more difficult to attract learners once TEF ratings are published. The Director of HR reported that Academic Board will be considering the benefits and risks of entering TEF in Year 3. ED HR
- 18 Governors agreed that activities to enhance quality and be prepared to demonstrate this at a future Ofsted visit should not be put at undue risk by the proposals. It was recommended that the College make additional provisions for additional consultancy support for the transition period.
- 19 For those staff roles at risk of redundancy, governors discussed how the College would be identifying suitable alternative employment opportunities. It was reported that nine new roles are already identified as ring fenced to existing staff and there may be another 6-10 new posts that may be appropriate alternatives depending on individual preferences. The interim Finance Director commented that the budget proposals presented worst case scenarios for redundancy costs and included additional sums that might be payable to pension schemes.
- 20 Governors considered how the College could minimise the disruption to employee relations and engagement. The Director of HR reported that it is proposed that the meeting with recognised trade unions would be the first internal stakeholder group to receive the proposals. The proposals are intended to address some of the issues that trade unions have been raising about staffing and quality but there is a risk of some resistance. UCU has a national policy of no compulsory redundancies. The CEO said that the consultation period is for staff and their trade union representatives to give feedback and the Executive Board will listen to staff views particularly where the consultation identifies new risks or suggests different ways of addressing the issues.
- 21 Investment in new posts should show the College's public commitment to the importance of high quality teaching. The Director of HR reported that, subject to approval of proposals, new posts would be advertised this week. Governors emphasised the importance of recruiting strong candidates to ensure that the College derives maximum benefit from its investment. The recruitment drive would mean that a lot of new staff would join the College in September/October. Recruiting, inducting and organising a relatively large number of new starters is a risk. The CEO said that this had been recognised and there would be some phasing of recruitment to roles needed to support apprenticeship growth. The Executive would not wish to delay recruiting new teaching staff as this would increase the risk of disruption to student learning in-year. ED HR
- 22 Governors recognised that staff changes can be worrying for students and asked the CEO to ensure that there is effective communication with students that the changes will be finished by September enrolment and the timetable will not be affected. CEO
- 23 As well as managing and mitigating the risk of disruption to student learning, it was noted that the College cannot control the timing of its engagement with Ofsted. Governors said that the Executive needs to ensure that, in the short term, changes to leadership in English and maths, safeguarding and support for high needs learners do not lead to reduced performance. There was some concern expressed about how

the College would maintain strong provision for High Needs Learners and continue its improvements in English and maths under these proposals.

- 24 The Principal responded that these areas are supported by strong teams. This means that there are groups of people who understand the College's quality arrangements, can ensure continuity and represent the College effectively at meetings with Ofsted and other stakeholders. There is a strong message in the changes relevant to inspectors, namely that the proposals are student focused, they are needed to support growth and they address issues that staff have said are holding back performance and need to change.
- 25 Whilst changes in Finance department are part of the proposal, it was noted that changes to other back-office functions would be considered once process review and re-engineering has been completed.
- 26 Given the scale of change and growth, governors discussed how the College would ensure that it provides sufficient staff development and coaching for existing staff to adapt and respond. The Director of HR responded that the Staff Development Unit is working well and its work is to continue. There is provision in the 2017/18 budget for staff development in its widest sense and management/leadership training in particular.
- 27 Governors suggested that the titles of Deputy Heads of Learning may need to change with the removal of the Heads of Learning posts and the College would need to reflect the new structures appropriately. CEO
- 28 A concern about cost cutting to rationalise English and maths provision was raised. The Principal responded that the changes in the proposal are not driven by cost cutting but some evening classes had been relocated to City to ensure classes/staff are not isolated, there are support services such as refreshments and good class sizes. Sometimes there are waiting lists for provision where there are difficulties in adding new classes or insufficient demand to justify offering additional classes. Where this is a significant problem it is reported to governors; for example higher than anticipated demand for ESOL had been an issue in September 2015 and this had been reported to Governing Body and addressed in the recruitment process in 2016. The Director of Marketing agreed to investigate the matter to see if there is an unnecessarily high number of learners waiting for a place and to ensure there is good communication with applicants where a delay is unavoidable. Director of Marketing
- 29 Governors commented that the introduction of a reward scheme seems to be a different exercise and might not receive the detailed scrutiny it deserves if presented with significant organisation change. It was therefore agreed that the staff reward scheme would be presented to a future Governing Body meeting with a detailed strategy to support the proposals and would not be introduced as part of the current changes. EDHR

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| 30 | Governing Body <u>approved</u> that the proposals for organisation change be put to formal staff consultation. The main reasons for supporting the restructure proposals are that the College needs to make the changes to invest in teaching quality (more front line established teaching posts), improve student experience (by reducing and rebalancing the proportion of timetable taught by agency staff) and ensure future growth (by investing in new posts to provide apprenticeships). Governors will consider the consultation feedback and in particular keep under review the risks and mitigation around changes affecting English and maths and High Needs provision. The outline for a staff reward scheme to be removed from the proposals and put separately to a future meeting of Governors with a supporting strategy. | Executive Team

EDHR |
| 31 | Governors requested a summary of the key messages in the proposals and the timescales for action/consultation with regular updates including copies of any significant communications during the process. | CEO |

17/4/32

Review of meeting

The Chair noted that the proposals for investing in future growth demonstrated that the College is forward looking and positive about the opportunities and challenges in the sector and the region. Governing Body thanked the Executive Team for the time they had put into developing the proposal. The CEO thanked governors for their detailed consideration and thorough discussion of the presentation.

17/4/33

Date of next meeting

17 July 2017, at 8.00 am in the Boardroom, City Campus