

Governing Body

Date: 17 July 2017
Venue: Boardroom City Campus

Clerk to the Corporation
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Sheffield, S2 2RL
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Present: Richard Wright - Chair
Kathy Atkin
Jay Bhayani
Ian Brown
Paul Corcoran
Neil Fletcher
Chris Husbands
Sally Neocosmos
Saleem Rashid
Seb Schmoller
Gil Vasey

In attendance: Rav Garcha Financial Consultant
Alison Shillito Clerk to the Corporation
Heather Smith College Principal and Executive Director
Darren Tidmarsh Executive Director, HR and SRI

Action

17/5/1 Apologies for absence

Apologies were received from Chris Linacre, Amy Smith, Kim Streets, John Timms and Anne Wilson.

17/5/2 Declarations of Interest

Declarations of interest were recorded as follows:

- i) Item 12.1 - Appointment of Chairs and Vice Chairs - Richard Wright, Sally Neocosmos, Seb Schmoller, Neil Fletcher and Gil Vasey.

17/5/3 Minutes of the meetings held on 15 and 25 May and 12 June 2017

The minutes of the meeting held on 15 and 25 May and 12 June 2017 were approved subject to correction of the title of minute 17/2/13 to 'Application of Corporation Seal'.

Clerk

17/5/4 Matters arising and action record

4.1 Minute 17/3/4 refers: events in Manchester

The Chair reported that he had completed governor safeguarding training provided by Sheffield Safeguarding Children Board. The training had been very useful and he commended the SSCB courses to other governors.

Clerk to circulate details

4.2 Action 26 - waiting lists for English and maths courses

As the next Governing Body meeting will take place after enrolment, governors asked this action to be given urgent attention and for an update to be circulated to Governors as soon as possible after the meeting.

4.3 Following the Grenfell fire A number of governors had enquired as to what action the College is taking to assess the fire resistance of cladding and insulations materials used on College buildings. The Chief Executive Officer (CEO) responded that the College had submitted its response to ESFA survey about building materials and continues follow-up work to ensure that the materials in place have the fire resistance standards claimed.

17/2/5 Chief Executive's report

5.1 The CEO presented the report which indicated improvements in the College's profile: improved forecast achievement rates for 2016/17 as compared to the previous year; College's financial health score had improved to 'Good' from 'Satisfactory' in 2015/16. This year, the College would meet the debt servicing covenants attached to its long term borrowing and the CEO reported that he had recently had a positive meeting with the College's bank about the College's financial performance.

5.2 Governors considered the report as follows.

- i) Organisation change - it was reported that the joint consultation period had been completed although some individual consultations are continuing to explore all possible options for alternative employment. The College is also proceeding to recruit to new established posts to support growth and further improvements in quality and consistency of teaching and learning.
- ii) Retention of senior staff - the report noted retention and remuneration of senior staff is an issue for the College in a competitive market. Governors asked for clarification of the governance arrangements for oversight of senior staff pay. It was confirmed that the remuneration of senior staff who are not Senior Post Holders is a matter for the CEO within the established pay framework approved by governors. The Chair and Chair of Finance Employment and General Purposes Committee agreed to meet with the CEO to be briefed formally on the recent changes and the CEO to then prepare a paper for the Remuneration Committee on the process for oversight of individually negotiated salaries
- iii) Governors asked about cover and handover arrangements for senior staff changes. The CEO reported that Angela Foulkes would be joining the College on 4 September. Angela had already met Heather Smith to discuss the handover and during the August period James Smythe, Deputy Principal, would be deputising. Kate Platts, the incoming Executive Director of Finance and Resources had already met with the Financial Consultant and Chairs of Finance, Employment and General Purposes Committee and Audit and Risk Assurance Committee and there would be an overlap between her start date on 29 August and the end of the Financial Consultant's assignment in mid-September.

CEO

5.3 Governing Body noted the report.

17/5/6 Key Performance Indicator Dashboard

6.1 The Governing Body received the KPI dashboard and discussed the data as follows.

- i) Governing Body congratulated the Principal and her team on the progress that had been made on increasing the percentage of courses reported as using Markbook. This had been achieved by further engagement with staff about different ways of setting-up Markbook for different types of provision and provision of additional training. Progress was particularly welcomed for the potential positive impact this will have on tracking student progress and helping staff devise and implement interventions to help students learn.
- ii) It was suggested that the commentary could be more nuanced to explain where there are particular reasons for under-performance or what action is being taken to address KPIs with persistent amber/red ratings that are not improving despite efforts to improve.
- iii) The CEO agreed to review the commentary and the calculation of KPIs to ensure they are clear and highlight the most important issues particularly the impact on learners. The CEO will also check how learners leaving College to enter employment are being reported in retention calculations. Leaving College for employment is a positive reason for exit and performance data should reflect this.

6.3 Governing Body noted the report.

17/5/7 Strategic Change initiatives

7.1 Governors received the project dashboard which summarised the progress on initiatives and was an end of year report on the initiatives. Governors welcomed the progress made in completing the initiatives and discussed other report as follows

- i) Governors asked about the likely timescales for making progress with the deferred initiative on Information Systems and Technology Development now that the Chief Information Officer had completed an initial review of the College's current arrangements. The CEO said that this Initiative would be a priority in 2017/18. The CIO had been finalising plans for capital expenditure to improve wireless access initially targeting areas that are being refurbished for use as HE student and CPD shared learning spaces. The CIO would be reporting to the Finance, Employment and General Purposes Committee in September 2017.
- ii) Governors challenged the rating of Employee Engagement as Amber. There had been some success and some staff groups were assessed as highly engaged in the recent staff survey. There remained, however, wide disparities between the rates of engagement for different staff groups. It was recommended that the Change Initiative should be 'red' rated while areas of poor staff satisfaction remain. Governing Body asked the Executive Team to look carefully at those parts of the College where satisfaction scores are poor and focus strategic change initiatives for 2017/18 on identifying and addressing the causes of poor engagement.

CEO

7.2 The CEO commented that Executive Board would be reviewing change initiatives for 2017/18 Business Plan, which would be presented to Governing Body in October 2017. Governing Body noted the report.

17/5/8 Teaching, Learning and Assessment Overview

8.1 The Principal presented the report highlighting the following issues.

- i) Quality Development Reviews show an improving picture with four more areas being rated, on a range of indicators, as providing ‘good’ teaching and learning to students as compared to the start of the year. This process has adopted a developmental coaching approach that has had a positive impact on staff skills and culture and is generating higher forecast achievement rates for students. There is also improvement observed in departments not yet rated as ‘good’ but there is more work to do to achieve the target for this year of at least 10 out of 12 areas achieving a ‘good’ rating.
- ii) Across the College there is a much better understanding of good teaching and learning and where it is happening. Improvement actions in support plans are now targeted what that particular member of staff needs to do to improve student learning. Priorities for 2017/18 include ensuring that performance management procedures are effective and responsive in those cases where staff are not responding to support arrangements and the student experience and achievement are put at risk as a result.
- iii) The notice to improve panels have been effective in scrutinising and securing improvements in performance and learner outcomes for courses that appear to be under-performing. Their positive impact is demonstrated by the improved outcomes for learners on the Access to HE programme. Last year, learner retention and success rates on access courses were not good enough. Following the notice to improve process, all access courses are forecast to achieve or exceed national standards, including one area that has never previously managed to do this.
- iv) Forty percent of the qualifications taken at the College are in English and maths. Forecast achievement for learners in basic skills this year looks to be improved as compared to last year. The actual results will depend on the outcomes of the recent assessments in functional skills. The College is currently checking and compiling FS qualifications achieved and awaits the results of GCSEs. Success in these qualifications has a significant impact on learners and the overall achievement rates of the College. To continue improvements in 2017/18, the College is integrating line management of Functional Skills teaching staff and Tutor Mentors into curriculum areas.
- v) At the last Ofsted visit, the College’s apprenticeship provision was rated as ‘good’. The forecast achievement rates suggest that the College should be pushing to achieve outstanding provision. The challenges for 2017/18 include: ensuring that 16 - 18 year old apprentices and those on level 3 apprenticeship succeed at the high rates of other apprentices; and maintaining and enhancing quality as apprenticeship numbers increase.

8.2 Governors considered the report as follows.

- i) Governors welcomed the significant improvements in forecast achievement, teaching and learning and quality enhancement. Improvements should not stop at 'good', governors said they would expect to see the College re-setting its RAG ratings and expectations to stretch departments to provide excellent learning for students. The Principal said that all areas have challenging objectives to continue to improve. Governors asked for the next report on QDR performance to provide a breakdown of the quality of individual subject areas within the area and a thematic review of data by learners' age group and type of provision
- ii) It was noted that, as a result of the organisation change process the College is in the process of recruiting around 30 new teaching staff to start in autumn 2017. Governors asked about the College's plans for induction for new staff to take them through the staff development journey of the last 18 months, at speed. The CEO responded that planning is underway on new induction materials, peer support and structured induction plans. The Executive Director of HR commented that the College is seeking to recruit experienced teachers but may need to consider candidates who are new to teaching in hard to recruit areas, recognising that staff new to FE teaching would need enhanced induction and support.

Principal
and Head
of Service
Quality
Audits and
Standards

ED HR and
Deputy
Principal

8.3 Governors noted the report, welcoming the significant progress made and the clarity of the information presented to Governors. Governing Body thanked Heather Smith for her service to the College over the past 30 years and particularly her hard work as Principal in improving teaching and learning at the College.

17/5/9 Approval of 2017/18 Budget and Financial Forecast 2017/18 - 2019/20

9.1 The Financial Consultant presented the final draft budget for 2017/18 and the three year financial plan for consideration and approval prior to submission to Education and Skills Funding Agency. The main messages in the plan are:

- i) To improve EBITDA over the period of the forecast and thereby improve the College's cash position.
- ii) To achieve a sustainable level of growth in student numbers and turnover so the College is able to re-invest in improving facilities and teaching for learners.
- iii) Recognising that apprenticeship growth is probably the riskiest element of income growth for the College. To mitigate this, projections for 2017/18 are based on an over-plan carry-in of learners from recruitment pre-Levy (£2.2m) and a conservative estimate of new apprentices based on levy contracts already secured. Forecast projections for the second two years of the plan have been moderated downwards to ensure that projections are realistic.
- iv) Expenditure will continue to be tightly controlled, including filling vacancies and discretionary spend.
- v) Inflation has been assumed at 3% for 2018/19 and 2019/20 and the

cost of living increase in 2018 has been assumed as 0.5%.

- vi) The Forecast assumes the College will continue to service its long term debts on current arrangements although there may be scope for savings by re-negotiating existing or alternative facilities.

9.2 Governing Body considered the report and some of the discussion is reported in a confidential minute.

- i) It was commented that the College and others had been encouraged to borrow to fund estates development as an alternative to public funding of new buildings and equipment. The costs of servicing those debts are a significant burden, some loans have interest rates well above current prevailing rates. It was suggested that colleges should use their collective strength and charitable status to lobby for a review of the amount that banks are profiting from the sector's loans.
- ii) It was noted that the balance sheet included an amount for the Lennartz VAT payments that the College is disputing are payable to HMRC. In the worst case, the College would be required to pay this over in spring 2018. This payment is already included in the budgeted cash flow so any further deferral of payments would improve cash flow and increase the budgeted cash balance until such payments are made.
- iii) The balance sheet presented was calculated with deferred capital grants being treated on an accruals basis. It was noted that a change to the treatment of capital grants was being proposed that, if approved, would have an impact on the balance sheet. The change to treatment of capital grants would make the balance sheet for 2016/17 and subsequent years look more positive than that presented with the budget and previously.

9.3 Governing Body approved, on the recommendation of Finance, Employment and General Purposes Committee, the 2017/18 budget and Financial Forecast 2017/18 - 2019/20 authorising the Chief Executive Officer to sign this for submission to the ESFA by its 31 July 2017 deadline.

17/5/10 Accounting policy change - treatment of deferred capital grants

Governing Body received the report and, on recommendation of Audit and Risk Assurance Committee, approved the proposed accounting policy change that capital grants be reported on a performance basis in the 2016/17 accounts and for subsequent years.

17/5/11 Staffing and Learning Together Review

11.1 Governing Body received the minutes of the first meeting of the Speak up and join in group on 22 May 2017. It was noted that this group would continue the work of the Learn Together Review to give all staff a forum for contributing suggestions and engaging with college leaders about improving the College and planning for the future.

11.2 In consider the minutes, governors requested that in future the minutes be presented with a high level summary of matters discussed highlighting the main actions and recommendations. **Clerk**

- 11.3 Governors noted the minutes of the first meeting of the Speak up and join in group.

17/5/12 Appointment of Chairs and Vice Chairs

- 12.1 Following the call for nominations, in accordance with the Instrument of Government (6) and procedures agreed previously by the Governing Body the following appointments were approved for the periods indicated -
- i) Governing Body 1 September 2017 - 31 August 2019: Richard Wright as Chair and Anne Wilson and Seb Schmoller (until 21 August 2018) as Vice Chairs.
 - ii) Finance, Employment and General Purposes Committee - 1 September 2017 - 31 August 2019 Gil Vasey as Chair and Kim Streets as Vice Chair
 - iii) Planning and Performance Committee - 1 September 2017 - 31 August 2019 - Chris Linacre as Chair and Anne Wilson as Vice Chair
 - iv) Audit & Risk Assurance Committee - 1 September 2017 - 31 August 2018 - Seb Schmoller as Chair (no Vice Chair)
 - v) Search Committee - 1 September 2017 - 31 August 2019: Richard Wright as Chair (no Vice Chair)
 - vi) Remuneration Committee - 1 September 2017 - 31 August 2019: Richard Wright as Chair (no Vice Chair).

- 12.2 On recommendation of the Search Committee meeting of 13 February 2017, Governing Body approved that Kim Streets stand down from Audit and Risk Assurance Committee and be appointed to Finance, Employment and General Purposes Committee with immediate effect and Ian Brown stand down from Finance, Employment and General Purposes Committee and be appointed to Audit and Risk Assurance Committee with immediate effect.

17/5/13 External appointments to the Governing Body

- 13.1 On recommendation of Search Committee, Governing Body approved the appointment of:
- Beri Hare as governor for an initial period from 1 September 2017 to 31 August 2019; and
 - Gwyn Arnold as governor for an initial two year period from 1 September 2017 and terminating on 31 August 2019.

- 13.2 It was noted that Search Committee would be interviewing a further candidate in late July and continuing its search for an additional governor with expertise in audit and risk management. It was agreed that further recommendations for appointment would be circulated to governors for approval by email.

Clerk

17/5/14 Governors' Training Plan for 2017/18

- 14.1 Governing Body considered and approved the plan with the addition of buddying as an option for new governors or those interested in taking on more responsibility. The Clerk will finalise the plan and arrangements for implementing activities.

Clerk

- 14.2 Feedback from governor engagement visits had been positive. It was noted that the staff hosting the visits had often prepared additional meetings or

events to showcase activity in the area. Governor engagement is intended to be an opportunity for governors to see aspects normal college life. The Clerk agreed to ensure that staff participating in governor engagement visits received briefing information explaining the purpose. Clerk

17/5/15 Committee Issues - Chairs' points of importance

The minutes of the following meetings were received with items recommended for approval or approved endorsed and other items (as identified on the summary sheets) noted.

- Finance Employment and General Purpose Committee - 5 June 2017 and 4 July 2017
- Audit and Risk Assurance Committee - 26 June 2017
- Planning and Performance Committee -19 June 2017

17/5/16 Review of meeting / closing remarks

Governors thanked the Principal for her service to the College and the Principal gave an address commenting on the changes she had seen in the 33 years she had served the College since starting as a part-time lecturer.

17/5/17 Any other business

- 17.1 It was suggested that in addition to the Annual financial reports, the College should publish a report on the progress it is making in fulfilling its mission, charitable object and providing public benefit. The CEO agreed to consider this recommendation as part of preparing annual reports. CEO
- 17.2 It was agreed that the annual report of Governing Body should include a statement on the activities of Search Committee, how it is discharging its role and in particular contributing to the College meeting its public sector duties under the Equality Act. Clerk

17/5/18 Date of next meeting

Monday 16 October 2017 at 8.00 am in the Boardroom City Campus.