

Date: 5 March 2018

Venue: The Boardroom, City Campus, the Sheffield College

Present: Seb Schmoller - Chair
Gwyn Arnold
Kathryn Atkin
Jay Bhayani
Ian Falconer
Angela Foulkes
Beri Hare
Chris Linacre
Saleem Rashid (arrived 08.50 for item 3.2 and remainder of meeting)
Seb Schmoller
Amy Smith
Kim Streets
John Timms
Gil Vasey
Anne Wilson

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In attendance Alison Shillito - Clerk to the Corporation
Kate Platts, Executive Director of Finance and Resources.

Action by whom **by whom**
by when

- 18/3/1** **Apologies for absence**
Apologies were received from Ian Brown, Chris Husbands and Jane Jones. The meeting was quorate.
- 18/3/2** **Declarations of Interest**
Kathryn Atkin, Angela Foulkes and Saleem Rashid declared their interests as staff of the College. No action was required for this declaration in relation to any specific agenda item.
- 18/3/3** **Minutes of the meetings on 18 December 2017, 18 January 2018 and 14 February 2018**
- i) The minutes of the meeting held on 18 December 2017 were approved as a correct record, with one change, that the names of the subsidiary company directors be added to minute 17/9/17.
 - ii) The minutes of the special meeting held on 18 January 2018 were approved subject three corrections:

- removal of Jane Jones from the list of apologies for absence as she attended the meeting;
 - heading of minute 18/1/9 should read 'Chairs/Vice Chairs'; and
 - minute 18/1/9.2 refers - September 2018 should be September 2017.
- iii) The confidential minutes of the private meeting of Governing Body held on 14 February 2018 were approved.

18/3/4 Matters arising

- 4.1 i) Minute 17/9/5(x) - Action 37 - a governor queried the accuracy of the report that the decision reported by senior management in relation to annual leave arrangements for subsidiary company staff during periods when the College is closed. The Clerk said that the minute reflected her notes of the meeting that the decision related to Christmas 2017 only.
- ii) Minute 18/1/9.5 - Clerk to call for nominations for a second Vice Chair. Clerk End March
- iii) Minute 18/2/9.4 - The Chair said that as requested he had considered his position as governor of Northern College and intended to step down from that role at the end of the 2017/18 college year. He would continue as a co-opted member of the Northern College Audit Committee, if Northern College wished him to do so. He had written to the Chair of Audit and Risk Assurance Committee informing him of this, as requested by Governing Body.

18/3/5 Action record

- 5.1 **Action 28- senior staff salaries** - governors requested that the action be completed before the next meeting of Governing Body. The Acting Chief Executive to prepare proposals on the governance arrangements for determining individual senior management salary issues for consideration by the Remuneration Committee and the Clerk is to arrange a meeting of the Remuneration Committee by end of April/early May. Acting Chief Executive Clerk April 2018
- 5.2 **Action 29 - staff engagement** -governors asked about progress on staff engagement and satisfaction, pending the start of the new Executive Director of HR and Organisation Development (EDHR&OD). The Principal and Acting Chief Executive said that Executive and Senior Leadership staff are undertaking engagement activities and there will be a report to the meeting of Finance, Employment and General Purposes Committee on 23 April on what has been done and what is being planned including gauging current engagement as a starting point for the new EDHR&OD.
- 5.3 **Action 36 - planning for start of year** - the presentation governors had requested should be arranged for the whole

Governing Body as part of or immediately after the May Governing Body meeting. The purpose of the presentation was to help governors to understand how the College prepared timetables, allocated staff and aligned resources ready for September given the uncertainty of final numbers of new and returning students.

18/3/6 Chief Executive's Report

- 6.1 The Principal and Acting Chief Executive presented the report, which included progress made on the issues arising from the FE Commissioner's Diagnostic Assessment and the Ofsted Inspection, both of which had been scrutinised by Governing at its special meeting on 14 February.
- 6.2 Governors noted the report and thanked the Principal and Acting Chief Executive for the report's clarity and brevity. It was further noted that the College had already begun to implement changes to strengthen leadership and governance as recommended in the FE Commissioner's 2016/17 annual report, to which the Chief Executive's report had referred.

18/3/7 Performance Framework (Confidential)

- 7.1 The Principal and Acting Chief Executive presented the report demonstrating the further development of new Key Performance Indicators. She explained that College managers had been working on indicators for each Committee that would feed into a top level cross-College Scorecard for Governing Body. This report was the first iteration of the scorecard and there was still work to do to finalise targets and ensure consistency between different reports. Currently the data was held on a series of spreadsheets. Eventually these would become proper dashboards, linked to the data sources.
- 7.2 Once the work on specifying the data for Further Education and Training had been completed, attention would turn to specifying the KPIs for Higher Education (to align with HEFCE and Office for Students expectations) and People. The completed College Scorecard, reported at each meeting of Governing Body, would support clearer and more succinct board reports that would report by exception on the action managers were taking to improve KPIs showing as Red and Amber.
- 7.3 Governors welcomed the progress being made on the new Scorecard and commented as follows.
 - i) The Scorecard contains confidential and potentially commercially sensitive information and should be clearly marked as such.
 - ii) Where national benchmarks are available for a measure these should be consistently included on the scorecard and Committee KPIs. These should be clearly delineated from local targets.
 - iii) Governors want to see the RAG rating for the

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ongoing

previous two quarters to assess how performance is changing in response to improvement actions.

- iv) The column headed 'strategic objectives' seems to be a mix of measures and objectives.
- v) It was noted that E&T attendance was still too low at 84% and it was unlikely at this point in the College year that improvement actions would succeed in increasing it to 88%. Governors stressed that action to improve learner attendance needed to be a high priority in the new College Improvement Plan.

- 7.4 The Principal and Acting Chief Executive requested that governors send her any further feedback on the content and presentation of the Scorecard data. Governors 1 May 2018
- 7.5 Governors noted the Performance Framework and thanked the Principal and Acting Chief Executive for the rapid progress she and members of the Executive Team had made on transforming the data received by the governors.

18/3/8 **Finance update - Period 4 monthly management accounts and budget process for 2018/19**

- 8.1 The Executive Director of Finance and Resources (EDF&R) presented the Period 4 Accounts which showed that the College was doing better than planned against the overall budget but this included some additional income arising from 2016/17 over-delivery and there were some over-spends against budget in non-pay costs. Governors considered the report as follows.
- 8.2 Governors challenged the over-spend in non-pay costs and asked what action management would be taking to bring spending into line with budget. The EDF&R responded that some of the "above plan" expenditure in Estates had been due to bringing essential maintenance forward in the year. Payments to a subcontractor had exceeded budget because learner-recruitment had been more successful than target. All Directors would be challenged at Business Review meetings to bring their department's expenditure into line with budget and to reduce non-pay budgets by 5%. Some had already responded with plans to achieve these savings and that challenge would be posed again at Period 6. Any over-spends would be challenged and expected to come into line with their budget by the year end.
- 8.3 Governors asked what view the College's banks would be likely to take about the College's financial health score. The EDF&R said that the banks recognised that the health score had been adversely affected by long term debt being restated as a short term liability. Banks recognised that the College's finances were tight, there would be little scope to increase income and they wanted confidence that managers were taking effective action to control costs.

- 8.4 It was noted that income from catering was down against budget and governors asked if managers understood the reasons for this and if there was a strategy for tackling it. The EDF&R said that the College was keen to keep the prices fair and attractive to students and increase the uptake of free school meals by those students who qualified. The student-elected governor commented that the canteen's prices and portion sizes were okay but the food in the 'Grab and Go' at City campus tended to be nicer. In addition, with most classes taking a short lunch break at the same time, queues in the canteen could be off-putting. Governors suggested that more student input to determine menus and style of offer might increase uptake of both free school meals and the catering offer generally.
- 8.5 Governors noted the report and asked the Clerk to record the actions being taken to address over-spend on non-pay budgets (minute 8.2 above refers).

18/3/9 **Revised Three year Financial Plan**

- 9.1 The EDF&R presented the revised plan that had been updated following the special meeting on 14 February and submitted to the ESFA, the FE Commissioner's office and the College's banks. The EDF&R and the Principal and Acting Chief Executive had met with representatives of the ESFA and (by phone) the FE Commissioner and the discussions had been supportive. It was recognised that the College's budget was tight but it was achievable. It was necessary for the College to demonstrate that it could generate cash and lenders had requested a three year cash forecast which the Finance Team are currently preparing. The report included some sensitivity analysis and there would be scenario planning in further iterations. In business planning, managers would be developing a 'bottom-up budget' with every department.
- 9.2 Governors challenged why the budget appeared to allow for additional non-pay costs to support growth in apprenticeship numbers but no growth in pay costs. The EDF&R said that the mix of education and training activities would change for apprenticeship provision as compared to classroom based learning. Most directly delivered apprenticeships would be accommodated within existing pay budgets by making efficiencies and shifting expenditure between different pay lines. Some of the growth had been in subcontracted provision - i.e. success in securing national contracts provided by working with other colleges. Payments to subcontractors in these arrangements is a non-pay cost.

18/3/10 **Ofsted Report January 2018**

- 10.1 Governors welcomed the action being taken to increase

teaching and learning coaching capacity in year and asked what action was being taken to make progress while awaiting new appointments. The Principal and Acting Chief Executive said that the new interim Deputy, Anita Straffon, had recently joined the College to provide additional support for curriculum leadership. Anita, previously of Derby College, is developing proposals for a wider plan of activities for teaching and learning development, support and management including 'mini-Ofsted', followed up with targeted staff development and observations. This work may be supported by external consultants for subject areas that are hard to recruit to. Governors advised caution on selecting consultants as there are lots of agencies offering these services with variable quality. The Principal and Acting Chief Executive assured Governors that the Principalship would be closely scrutinising the track record and effectiveness of potential consultancy providers.

- 10.2 Based on a recent engagement visit to the Quality Team, a governor commented that he had perceived there to be some frustration on the part of Quality staff that the development work they were doing was not being embedded effectively by curriculum teams. He asked how the new proposals would address this. The Principal and Acting Chief Executive said that she appreciated Quality colleagues had led a number of development initiatives and been proactive in producing resources and materials for staff to learn from and use but there remained variable engagement with the support systems available.
- 10.3 The Principal and Acting Chief Executive assured Governing Body that this had been discussed with Quality team leaders and the following actions were in progress to address it:
 - i. The new additional interim Deputy Principal, the back-fill for the Principal in taking on additional responsibilities as Acting Chief Executive, has a remit and has already started to put in place actions to accelerate effective performance management practices.
 - ii. Quality KPIs have been specified to make clear what aspects of performance Quality team are responsible for actively monitoring performance against.
 - iii. Curriculum managers are being challenged in business review meetings about their progress against quality performance indicators and the extent to which there is a proportionate level of engagement with performance management processes.
 - iv. The outcomes of the February walkthroughs demonstrated that there were inconsistencies between the findings of Ofsted inspectors and performance reports supplied by the Quality team. In essence, the College appears to be over-generous in assessing the performance within teaching and

learning as compared to the Ofsted findings. This mismatch was being challenged in business reviews and monthly meetings.

- 18/3/11 **Draft Quality Improvement Plan/Post Inspection Action Plan**
- 11.1 The Principal and Acting Chief Executive presented the first draft of a cross-College improvement plan. The plan would address the issues raised by Ofsted in its inspection and also actions in response to recommendations from other sources including self-assessment against Common Inspection Framework, improvements identified in preparation for Ofsted and FE Commissioner recommendations.
- 11.2 Governors welcomed that the plan brought together actions from different sources and was clearly prioritised. Governors challenged how they would know and be assured that the plan was being achieved. The Principal and Acting Chief Executive said that managers were developing the actions and measures in the plan to be sufficiently clear, specific and measurable so that, correlated with the new KPI performance framework, progress and achievement would be clear. Governors recommended that the plan include specific cross-references to the sources of assurance for each target. Acting Chief Executive April 2018
- 11.3 It was noted there would be further work on the draft plan and this included more clearly specifying the actions within 'enabling strategies'. It was commented that the divide between business support and teaching colleagues had been a consistent theme in the Learning Together Review and came through in Ofsted preparation. Governors were keen that the plan addressed this and suggested that it could be considered in more detail at the June Strategy Event. Chair/Clerk/Acting Chief Executive June 2018
- 11.4 A governor challenged that the draft plan did not yet have improvement actions for Governance, Leadership and Management. The Principal and Acting Chief Executive said that once the format had been agreed as effective there would be further work specifying enabling actions and linking these to overall strategic objectives and those of the head of College. There would be a section showing how governors would have an oversight of governance leadership and management and this would partly be shaped by the recommendations of the Governance Task and Finish Group, as approved by Governing Body.
- 11.5 Governing Body noted and endorsed the format and further development of the draft plan. Governors requested that the plan should be continued to be developed with a view to presenting a full single complete plan for detailed discussion at the Strategy Day on 18 June 2018.
- 18/3/12 **The Sheffield College Student Union Annual Report July 2016 - June 2017**
- 12.1 The President of the College Students' Union and student elected governor presented the report clarifying that it related to the SU year 2016/17. The report had been agreed

by the SU Executive Committee and would be published on the SU website.

12.2 Governors asked if the annual report included the student voice activities conducted by the Students Union and what these are telling the College about the student experience. The President said that the focus of the report was on the work done by the Union on providing services to its members. This did include promoting and facilitating learner voice activities but not the outputs of those activities, such as the Learner Voice conference, student involvement in interview panels; student brunch with the Principal/Acting Chief Executive.

12.3 Governors received the report, thanking the President for her account of the Union's activities. It was noted that there is a lot of good practice in the sector on student parliaments and councils that have students, governors and college staff representatives. It was AGREED that the Students Union should liaise with Principalship to produce:

President June
SU and DP P&P

- i. a clear statement of the framework of the College's student voice activities to provide structured input back to the College;
- ii. regular reports to Executive and governors (via Planning and Performance Committee) on the impact of the student voice and other student feedback activities.

18/3/13 **Equality, Diversity and Inclusion: Annual Report 2016/17**

13.1 The Principal and Acting Chief Executive introduced the report which also included a summary of the College's first report on its Gender Pay Gap. She explained that there was further work to be done on this area including ensuring

- the College collects the full range of equality data for staff and students. This is included as an equality objective and actions to achieve it would include a positive disclosure campaign to promote to staff and students the benefits of disclosing equality profile data.
- the annual report gives a full account of the positive activities that the College is doing to meet its Public Sector Equality Duties.
- Gender pay gap information is fully incorporated into the report before it is published and there is further analysis of the actions the College should be taking in response to the data.

13.2 Governors received the report and discussion focused in particular on the first gender pay gap report. Governors asked:

- i) if the College had any benchmark data to compare its data against that of other similar colleges? The Principal and Acting Chief Executive said that some colleges had already published their data and the College seemed to be average in comparison. Following the April publication deadline there would

be more opportunity for benchmarking and seeking examples of good practice.

- ii) given that the census date was 1 April 2017, if there had been any movement in the gender gap since the appointments of more women senior post holders. The Principal and Acting Chief Executive said the full report and contextual data would be reported through to FE&GP Committee. Looking at the data the gap is not due to senior roles but to part-time workers and roles in lower pay grades which tend to be dominated by women. This is creating a skew in the workforce data that is difficult to change as the College has a need for those roles and they tend disproportionately to attract women applicants.
- iii) if new Executive Director of HR and Organisation Development would find it helpful, then Governors would support an internal task and finish group to explore the causes and how we tackle Equality, Diversity and Inclusion issues including gender pay gaps.

EDF&R

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- 13.3 The Governing Body noted the report and endorsed the proposed equality objectives. Governors welcomed that the report had clearly pointed up that there are some aspects where the College needs to improve its performance in EDI reporting, in particular to improve its data and develop clear specific and measureable actions to achieve the objectives. The board acknowledged that this work had been delayed pending the appointment of a new Executive Director for HR. They looked forward to receiving a report from the new appointee in due course.

EDHR&OD

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18/3/14 **Committee Issues - Chairs' points of importance**

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

14.1 **Finance Employment & General Purpose Committee - 29 January 2018**

Governing Body noted the minutes. The Committee Chair commented that the Committee supported the work that the Executive Director of Finance and Resources was doing with the College's bankers to rebuild relationships and their confidence in the revised three year plan. The revised plan is realistic about the challenges, and the Committee considers that it is achievable.

14.2 Planning and Performance Committee - 14 February 2018

The Committee Chair commented that the Committee had considered in detail the way the College is working. The continuing themes in the discussion were:

- the need for College leadership to engage more frequently and more effectively with the people who teach;
- the apparent disconnect between the working practices and culture of support staff compared to teaching and learning staff;
- compliance of some staff with College monitoring procedures which is something managers have to tackle.

Governing Body noted the minutes and endorsed the actions proposed.

18/3/15 Governance Task and Finish Group Update

- 15.1 The Chair of the Task and Finish Group made an oral to Governing Body updating it on progress since the report made on 14 February.
- 15.2 The Task and Finish Group had met on 5 January and 14 February but had not been able to meet on 1 March 2018 to complete its consideration on board structures due to the College closure due to snow. The findings included that Governing Body and its Committees needed to receive meeting papers at least a week ahead in order to prepare effectively. It was recognised that the College closure had delayed the circulation for this meeting but it was a priority that this aspect improves so governors are adequately prepared for the meeting. The Group welcomed the improvements made by the Principal and Acting Chief Executive to the presentation and drafting of board papers, which had been received positively by Governors at this meeting and by Planning and Performance Committee.
- 15.3 The Group is currently looking at board and committee structures to suggest the optimum model for Governance to support this stage in the College's development. The Group have reviewed good practice models from the sector and are developing options. They wanted to seek the views of the Chairs and members of the current committees and Executive colleagues before putting their findings and a preferred model to full Governing Body. The Group also wanted to consider how the different models would work alongside the business planning cycle to ensure proposals are effective and practical. Whatever structure is chosen needs to be well coordinated so they the board can marshal resources around those areas that are most in need of improvement and scrutinise the effectiveness of their deployment.
- 15.4 The Audit and Risk Assurance Committee would be retained and the Corporation articles currently included a requirement to maintain a Search Committee. The Group was considering if it might be appropriate to extend the remit of Search to include governance and remuneration.

- 15.5 The Chair commented that the Governing Body currently retained its clerk on a fractional basis (with half-time administrative support), the remainder of the full time role being allocated to senior administrator duties for the College. The governance structures would need to be practicable for a clerk working on a fractional basis (unless this is changed) and also, crucially, for governors who undertake the role in tandem with a full-time career.
- 15.6 Governing Body received the report and noted the revised timescale for recommendations for approval. Governors looked forward to receiving a final report in May with a view to structural changes taking effect in September 2018. It was suggested that this report should also inform the agenda for the June strategy event.
- 18/3/16 **Appointment of Executive Director of HR and Organisation Development**
- 16.1 The Chair, referring to a circulated paper, reported that the Selection Panel appointed by Governing Body had conducted a recruitment and selection process to appoint a new Executive Director of HR and Organisation Development. At a final selection event on 27 February, the Panel had interviewed four candidates for the role and unanimously recommended that Governing Body approve the appointment of Paul Simpson.
- 16.2 Governing Body approved the appointment of Paul Simpson as Executive Director of HR and Organisation Development and, subject to satisfactory completion of pre-employment checks, and the taking up of references. The Board looked forward to Paul commencing the role in June 2018.
- 18/3/17 **Recruitment and appointment of a permanent Chief Executive and Principal**
- 17.1 The Chair reported that the Selection Panel appointed by Governing Body at its special meeting on 14 February had been liaising to draft documentation for the process and was due to meet to finalise details after this Governing Body meeting. In parallel with this, the Chair and Vice-Chair are undertaking consultation with the Executive Team about the senior staff structure agreed by Governors. The work is on schedule for national advertising of the permanent Chief Executive and Principal role in week commencing 26 March as planned. In response to a question, the Chair confirmed that there would be student representation in the programme for the selection event.
- 17.2 Governing Body received the Chair's report.
- 18/3/18 **Governing Body self-assessment process**
- 18.1 The Chair presented the report explaining that it comprised two elements
- i) a 360 degree appraisal process for the Chair, which was a new development. Subject to Governing Body approval, the Chair and Clerk would proceed to establish the process outlined in the paper with a view to reporting back to the

board at June 2018 Strategy Event.

ii) governors' feedback and self-assessment process; the paper proposed that this be refreshed and reinstated, conducted under the oversight of the Search Committee as part of its regular business.

18.2 Governors commented that the proposals for governor self-evaluation and evaluating board effectiveness as a whole needed to cohere. It was commented that this could be done by the Clerk in tying together annual reports on committee and board effectiveness with the outcomes of 360 degree appraisal.

18.3 Governing Body endorsed the proposals for appraising the Chair's performance and agreed that the practical implementation of governor self-assessment by Search Committee should be reviewed at the May meeting in the light of the recommendations of the Task and Finish Group on committee structure and remits.

GT&FG

April
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18/3/19 **Governor vacancy**

19.1 The Clerk reported on the action being taken to fill the vacancy on Governing Body following Gil Vasey giving notice of his resignation from the board. An advert had been drafted and would be posted on the College web site and various public noticeboards such as Aspire. As the vacancy is specifically for a governor with a financial background, the vacancy would also be advertised on the volunteer section of the ICAEW website. It was suggested that the advert should also be circulated to the CIPFA regional network. The Clerk would circulate the advert in Clerk's update and ask governors to promote it through their own networks. A meeting of Search Committee would be organised to consider applications and interview shortlisted candidates. The proposed timescale was intended to recommend an appointment at the next meeting on 21 May i.e. while Gil is a governor.

Clerk

March
2018

Governors

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19.2 Governing Body noted the report and the actions for governors

18/3/20 **Review of meeting / closing remarks**

Governors commented that although some of the papers circulated late, the papers prepared by members of the Executive were more succinct and gave governors greater confidence and assurance about the actions being taken. Governors thanked the Executive Team for their efforts to improve the papers. They also commented that timekeeping on a heavy agenda had been well-managed by the Chair.

18/3/21 **Date of next meeting**

Monday 21 May 2018, at 8.00 am in the Boardroom, City Campus

The meeting closed at 10.15.