

Date: 18 December 2017

Venue: The Boardroom, City Campus, the
Sheffield College

Clerk to the Corporation
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Sheffield, S2 2RL
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Present: Richard Wright - Chair
Gwyn Arnold
Kathryn Atkin
Jay Bhayani
Ian Brown
Angela Foulkes
Chris Linacre
Saleem Rashid
Seb Schmoller
Amy Smith
Kim Streets
John Timms
Gil Vasey

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

Action

- 17/9/1 Apologies for absence**
Apologies were received from Beri Hare, Chris Husbands, Jane Jones and Anne Wilson.
- 17/9/2 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.
- 17/9/3 Minutes of the meetings on 16 October, 6 November and 20 November 2017**
- i) The minutes of the meeting held on 16 October were approved as a correct record.
 - ii) The minutes of the exceptional meeting held on 6 November to discuss learner achievement in 2016/17 were approved subject to a correction to the list of those present - Angela Foulkes, College Principal to be added to the list as 'In attendance'
 - iii) The confidential minutes of the private meeting of Governing Body held on 20 November 2017 were approved subject to a correction - that Jane Jones be added to the list of those present at the meeting.

17/9/4 **Report on the Strategy Event held on 20 November 2017**
Governing Body received and noted the report, subject to a correction to Appendix 1 - the reference to 'breach of loan covenants' should read 'Barclays/AIB'. It was further noted that the action agreed to convene a Task and Finish Group to consider and make recommendations to improve the effectiveness of governance had been progressed and an initial meeting of the group, chaired by Beri Hare, had been scheduled for 5 January 2018.

17/9/5 **Action record**

Governors discussed progress as follows.

(i) **Action 17 - Equality and Diversity training** - still to be arranged - Clerk to contact Governors for dates.

Clerk
asap

(ii) **Action 18 - HE validation** - completed

(iii) **Action 19 - AoC sector pay benchmark data** - Executive Director of Finance and Resources to pursue this action and obtain latest benchmark data.

EDF&R
March
2018

(iv) **Action 20 - Detailed analysis of the results of the Staff Engagement Survey** - Governing Body reviewed its request for further analysis of the results of the 2017 Employee Engagement Survey. Governors stressed the importance of acting on feedback and said that managers should be prioritising relevant actions for their area. Governing Body agreed to close the action requesting further analysis of the Spring 2017 data and looked forward to receiving a progress report from the incoming HR Consultant on rapid improvements staff engagement and feedback.

(v) **Action 23 - Higher Education Teaching Excellence Framework (TEF3)** - The Principal & Acting CEO reported that a new head of HE and Access (Stephen Tipping) would be starting work at the College in January and would be reviewing the current HE strategy and reporting. Pending the outcome of that review, the College did not intend to enter TEF3 in January 2018.

(vi) **Action 27 - Staff reward scheme** - the Principal & Acting CEO reported that the Executive were not pursuing the proposals for a staff reward scheme.

(vii) **Action 30 - QDR performance report** disaggregating quality data for subject areas: the Chair of Planning and Performance Committee reported that the Committee had considered a revised reporting framework for learner achievement, forecast achievement and value added measures. The Principal & Acting CEO is further developing and populating the standard data set requested by the Committee. The headline data will be reported and monitored at each meeting with detailed reporting on areas where results are below expectation, by exception. Governing Body agreed that the headline and exceptional reporting must be reported through to full Governing Body.

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2018

(vii) **Action 31 - Speak up and join in staff engagement group** - as for action 20, Governors stressed that having effective routes to collect staff views is a vital part of the role of Governing Body. This relatively new group had been in abeyance due to capacity

issues in the Executive and HR teams. The Principal & Acting CEO said that the interim HR Consultant would be working on effective employee engagement and communication pending the appointment of a permanent Executive Director of HR and Organisation Development.

Interim
HR
Consultant
March
2018

(viii) **Action 33 - Briefing for staff hosting Governor Engagement activities** - it was noted that Governance Task and Finish Group would be reviewing Governor training and engagement in college activities and therefore this action was no longer required.

(ix) **Action 35 - annual report on Governor Search activities** - Governors notes that the Governance Task and Finish Group would be considering governance structures, KPIs and reporting. The Task and Finish Group should consider annual reporting requirements for the boards committees and groups as part of reviewing board effectiveness.

GT&FG
Feb
2018

(x) **Action 37 - holiday entitlement for subsidiary company staff** - the Principal & Acting CEO reported that the same leave entitlement for the Christmas closure would be applied to all College group staff and staff had been informed. Governors noted that queries remained about parity of conditions for some groups of staff and once appointed this would be an issue for the new Executive Director of HR and OD to review.

EDHR&O
D TBA

(xi) **Action 39 - HE Annual Assurance Report** - completed - reported under minute 6.1.

(xii) **Action 42 - formalising appointment and contractual terms for the Principal & Acting CEO** - the Chair reported that these were currently being finalised and would extend to 2 January 2019. This would provide stability while Governors discuss and establish a preferred senior management structure. The full recruitment process will be completed so that that the composition of the established team is known by 1st August 2018.

Chair/
Clerk
asap

17/9/6 Chief Executive's Report

6.1 The Principal & Acting Chief Executive (henceforth "Acting CEO") made an oral report on developments.

Quality Developments

- The Annual Provider Review for Higher Education had been submitted to HEFCE on time, following scrutiny of the HE Quality Action Plan by Planning and Performance Committee. The Committee had provided detailed feedback to the College to improve the robustness of future monitoring. The new Head of Access and HE would be starting in January 2018 and would be continuing to develop the action plan and the Access return and agreement.
- The Self-Assessment Report (SAR) for 2016/17 had been revised further following feedback from Planning and Performance Committee and would be considered by Governing Body later in the meeting. The Committee had given useful feedback to improve the SAR but had challenged Quality Team to develop a more impactful SAR in future as the 2016/17 is still too descriptive. Planning

and Performance Committee had asked managers to focus on making the Post Inspection Action Plan more robust and data driven.

- Quality Development Reviews (QDR) have been taking place all term with the aim of completing a QDR for every department. This had been completed and the individual reports will come to Governing Body. Notably, the QDR outcome for Health and Social Care provision, which had been of concern to Governors last year, had moved from being judged as 'Inadequate' to 'Requires Improvement'

6.2 Governors challenged the information provided about the QDR outcomes and said that they needed more detailed information on how the subject areas that are performing below expectation are progressing.

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Feb 2018

6.3 Apprenticeships

The Acting CEO reported that apprenticeship provision is doing well;

- Achievement rate has increased further in 2016/17.
- There has been a decline in timeliness has seen a drop but is above national rate, this is in the 16 - 18 year old group.
- There are differences between different subject groups - e.g. the Health and Social Care apprenticeship team is strong and apprentices do well.

6.4 Learner recruitment 2017/18 and financial impact

The MI team had been doing detailed work to cleanse individual learner record data for the December upload to the Funding Agency. It had taken a lot of work to ensure this is an accurate. The College is advertising for a Director of Funding and Performance and one of the role's responsibilities would be to review and streamline these processes, amongst other things.

6.5 The position in December is that the College has 5,050 16 - 18 year old learners, which is below plan but close to target against the ESFA funded numbers. There are further opportunities for in year recruitment after Christmas. A larger volume of students are in the higher funding bracket than last year but currently the numbers equate to a grant reduction of around £400K in 2018/19 16-18 study programmes as opposed to the growth that was predicted in the three year plan. The Executive Team would be modelling how to manage the reduction. The largest variance against plan is Business and Enterprise, which recruited around the same number as 2016/17 against the continuing demographic dip, but did not achieve the increase predicted in the plan. The planned growth in Creative subjects was not realised.

6.6 Adult Learner Loans are currently performing very well and retention is high. Pass rates are not good enough and as well as the negative impact on learners, this has a financial impact as 20% of the loan funding is payable on achievement. The annual budget needs to mitigate against achievement at the end of the year.

6.7 Governors asked if the College could provide incentives or rewards

to encourage adult learners to complete and achievement. The Acting CEO said that some colleges do reward attendance and persistence of learners in shopping vouchers and similar incentives and this is something that could be considered for areas that need to improve attendance.

6.8 HE is performing well and on profile.

6.9 The College has been allocated two thirds of the non-levy apprenticeship funding bid it submitted, which is in line with the sector of average. The Commercial Director is modelling the profile for this funding and it is likely that at current recruitment rates it would not cover the whole period of the allocation. There may be opportunities to bid for more if the national picture of under-recruitment continues.

6.10 Levy-funded apprentice recruitment is on profile and doing quite well. The College has some significant subcontracts and recruitment is healthy but it is delivering a lower margin. This is against a national apprenticeship recruitment picture that is much worse.

6.11 High Needs Learner recruitment has increased and the SEND Support Team are looking at how the College can maximise the support for adult students to optimise retention and pass rates. There is an opportunity to increase performance in terms of quality that will bring us to a better financial model.

Student support
FE&GP
April
2018

6.12 The Committee noted the report.

17/9/7 FE Commissioner's diagnostic visit - CONFIDENTIAL

7.1 The Chair reported on the FE Commissioner's Team visit.

17/9/8 Sheffield Hallam University Strategic Partnership update
CONFIDENTIAL

8.1 Governing Body received the report and considered it as follows with some discussion recorded in a Confidential minute:

- i) The joint steering group has been working on mapping provision across the College and the University to offer strong vocational routes that provide learner progression from Levels 1 to 6.
- ii) This mapping does not cover all subject areas as the College has some provision with other HE validating bodies for those areas where it is sensible to have a distinctive offer.
- iii) The College is an important source of new entrants for the University. There are benefits to the University in having good access to recruit College students to HE and learners benefit from the raising aspiration activities that the University provides. The College would be interested in exploring a 'preferred partner' status for offering employers seamless vocational routes to higher and degree apprenticeships. This may be difficult as the University does have relationships with other colleges in the Sheffield City Region, e.g. involvement in development of the RNN Group HE Centre and working

on an Institute of Technology bid.

- 8.2 Governing Body endorsed the direction and progress of the Steering Group and asked for future updates on how the College is managing the relationship and potential conflicts in relation to its overall HE Strategy.

17/9/9 **Cross College Self-Assessment Report 2016/17**

- 9.1 The Chair of Planning and Performance Committee introduced the Self-Assessment Report and said that the finding of Planning and Performance Committee had been that there had been a lot of activity following the Ofsted inspection in January 2016, recognised by the HMI.
- 9.2 The Committee was satisfied that the College now has a rigorous validation process on the ground but at the end of last year it was not yet generating improvement in student achievement. Improvement in consistency of TLA quality needed to continue at the faster pace that had been set since October 2017.
- 9.3 The Committee had asked the Acting CEO and her team to focus on creating a more impactful Quality Improvement Plan for the rest of 2017/18 rather than spending further effort on finessing the SAR, which is backward looking.
- 9.4 Governors challenged the statement that the College is doing the right things from a quality improvement point of view (p15 refers). They expressed concern that the document presented an overly optimistic picture of what the College had achieved since the last Ofsted.
- 9.5 The Acting CEO said that the draft SAR presented was largely an update on the 2015/16 document. It recorded activities and was too descriptive. The previous Principal and CEO had developed the document: it would change in future to be more succinct, and evidence-based reflecting the changes since September 2017. The management priority at the moment is on increasing the pace of improvement in the TLA experienced by current learners and making the 2017/18 Quality Improvement Plan more effective. Planning and Performance Committee had endorsed this approach as the best use of resources at the current time.
- 9.6 Governors accepted that some changes relied on recent changes starting to have an impact (i.e. SAR 2017/18). However, the 2016/17 document did require some further work to ensure it is an honest reflection of 2016/17. Governing Body and the College had recognised that in 2016/17 some of the improvement activity had not yet been as effective as it needed to be to effect substantial change. There should also be a preamble about the leadership changes and the changes made in the Autumn term to speed up and intensify improvement activity.
- 9.5 The Governing Body approved the SAR subject to two recommendations for further changes. The Acting CEO to ensure that:
- i) That there is sufficient underpinning evidence to back up the claims made in the SAR about the rigour of

Acting
CEO
31 Jan
2018

- ii) quality improvement processes (or revise them);
- ii) There is a short executive summary at the front of the document that makes clear this reflects on activity in 2016/17 but did not produce a commensurate improvement in the results.

[Note, 23/1/2018. Shortly after the meeting the Acting CEO agreed with the Vice Chairs that the SAR would be rewritten from scratch by the Quality Systems Manager immediately after the Christmas and New Year break, to take full account of the reservations expressed in the preceding sections of this part of the Minutes. The re-written version is the version supplied to Ofsted prior to Ofsted's 22/1/2018 inspection.]

17/9/10 **Audit and Risk Assurance Committee's Annual Report 2016/17**

10.1 The Chair of Audit and Risk Assurance Committee presented the Committee's annual report to Governing Body.

10.2 It was noted that the Chair of the Committee in 2016/17 had been Neil Fletcher, who had completed his full term of office in July 2017. Neil had been consulted on the report. The opinion of the Committee was:

- that the key risks facing the College in 2016/17 (and up to the date of preparation of the report) have been identified, prioritised and that actions have been put in place to mitigate these;
- that management had plans in place to address all the actions and improvements identified.
- Members were satisfied with the services that have been provided by Grant Thornton and KPMG, during the financial year 2016/17.

10.3 The report had been approved by the Committee at its joint meeting with Finance, Employment and General Purposes Committee on 4 December 2017, which had recommended approval of the accounts on the basis of this and the reports of auditors.

10.4 Although the Committee was satisfied that the College was managing risk appropriately, it was continuing to press for a clearer and more effective risk register that is more focused on the real risks with deadlines and reinforcement of the importance with the risk owners. Senior staff changes had set this work back but the Committee had requested a report be presented to the March A&RA Committee meeting. Governing Body agreed that the report should be received by the full board once the Committee was satisfied that it was fit for purpose.

EDF&R to
A&RA
Cttee
March
2018

10.5 A Governor requested further information on any instances or allegations of fraud. The Clerk confirmed that as recorded in the minutes of the Joint meeting of Audit and Risk Assurance Committee and Finance, Employment and General Purposes Committee there have been no instances of financial irregularity or impropriety in 2016/17. The College had received one

whistleblowing disclosure about examination misconduct by staff. Grant Thornton had investigated this disclosure and reported to A&RA Committee. One of the College's awarding bodies had investigated a second whistleblowing disclosure, also about assessment irregularity. The College had cooperated in investigating the allegations with the relevant awarding bodies. The College had taken action to address any issues indicating poor practice and this did not affect any learners' qualifications.

- 10.5 Governing Body noted the report and thanked the Committee for its work on assuring the quality of the controls and processes that underpin the annual financial statements.
- 17/9/11 **Financial Statements Auditor's Audit Highlights and Management Letter**
- 11.1 The Executive Director of Finance and Resources presented the management letter and apologised for the late circulation of this and the final accounts, which was due to a late change in the wording about the Going Concern. The discussions with KPMG were that they would be including an Emphasis of Matter in respect of the College planning to breach the operational gearing covenant in 2017/18. KPMG had revised the wording of to be a 'Material Uncertainty in relation to Going Concern'. KPMG had said that the change was due to a change in guidance, which restricts 'Emphasis of Matter' to situations where there are concerns about the validity of something in the accounts. In this case, the auditors are satisfied that the accounts are accurate but there is an unknown as to how lenders' will respond to the breach of covenant in 2017/18 and therefore they are required to flag this as a Material Uncertainty.
- 11.2 The Governing Body authorised the Chair to sign on its behalf the letter to the Financial Statements Auditors, confirming that Governors' are satisfied with the process of preparing the financial statements for the year ended 31 July 2017 and for this to be submitted to KPMG.
- 17/9/12 **Internal Auditor's Annual Report - 2016/17 (enclosed)**
The Governing Body approved the report on the recommendation of the Audit and Risk Assurance Committee, which had considered the annual report at its meeting on 4 December 2017.
- 17/9/13 **Report of the members of the Corporation and Financial Statements 2016/17**
- 13.1 The Executive Director of Finance and Resources presented the accounts. It was noted that the final version had changed since being presented to Finance, Employment and General Purposes Committee due to the changes to wording of the external auditor's opinion reported above, in minute 11.1, and because of late notification of an additional payment by ESFA. The additional payment was for over-delivery of Adult Education provision in 2016/17. With the additional funding, the College final operating outturn would be negative by £400K, rather than the stated figure of negative by £447K. This was a small improvement on the operational outturn last year.
- 13.2 Governors asked if the Material Uncertainty meant that the

accounts were qualified. The Executive Director of Finance and Resources responded that the material uncertainty was not a 'Going Concern' qualification and the accounts were unqualified. It is a change in terminology to reflect that many businesses across the UK are under some stress and dependent on continuing lines of credit for access to working capital. The breach of a covenant attached to the College's long-term debt is a material uncertainty and casts 'significant doubt' on the going concern assumption. The wording is taken straight from the guidance so would not be subject to negotiation.

- 13.3 On recommendation of the A&RA and FE&GP Committees, the Governing Body agreed to authorise the Chair of Governor and Acting Chief Executive to sign the Financial Statements for the year ended 31 July 2017 for submission to the SFA by 31 December.

Chair
and
Acting
CEO
22/12/17

17/9/14 **People matters: update on search and selection process for Executive Director of HR and Organisation Development**

The Acting CEO reported that the selection panel had convened to recruit and select the new Executive Director of Human Resources and Organisation Development. Follow a tender process, the Panel had appointed Protocol National as its search partner. In the interim, the Acting CEO would be interviewing shortlisted candidates with a view to appointing an HR Consultant starting in January 2018 to support urgent HR projects.

17/9/15 **Appointments**

15.1 **Remuneration Committee**

Governing Body approved the appointment of Anne Wilson to the Remuneration Committee.

15.2 **Governance Task and Finish Group**

Governing Body approved Dr Beri Hare (Chair); Gwyn Arnold; Jay Bhayani and Anne Wilson as the members of the Governance Task and Finish Group.

15.3 **Search Committee**

Governing Body noted that John Timms and Ian Brown agreed to be nominated as additional members of Search Committee if required.

17/9/16 **The Sheffield UTC Academy Trust** (registration number 07652696)

In its capacity as a member of the Academy Trust, Governing Body received the Trust's Annual Report and Financial Statements of the Sheffield UTC and noted:

16.1

- Learner achievement had been very good in Years 12 and 13.
- There had been some issue in learner achievement in Years 10 and 11 as compared against national measure for 'Progress 8'. The chair said that this was because the Progress 8 measure was based on GCSEs. The strategy of the UTC was to deliver its curriculum through the vocational experience rather than a traditional GCSE study programme.

- The College currently has two members on the Trust - the Corporation and the Chair in a personal capacity. Following a governance review, the UTC would be increasing the number of its members to include the Sheffield Chamber of Commerce and Industry, Sheffield Hallam University and Local Enterprise Partnership members.

17/9/17 **Subsidiary Companies**

Governing Body noted the update on new director appointments, made in line with the scheme agreed by Governing Body at its meeting in March 2017 identifying which senior roles should undertake director duties for the subsidiary companies. The directors are:

Sparks Managed Services Ltd (registered in England - 78490897)	Angela Foulkes Andrew Hartley Kate Platts (EDHR&OD tbc)
Sparks Teaching Services Ltd (registered in England - 8087248)	Angela Foulkes Kate Platts (EDHR&OD tbc)
Sparks Solutions Limited (registered in England - 8857469)	John Gray Angela Foulkes Kate Platts.

17/9/18 **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.

18.1 **Finance Employment & General Purpose Committee - 13 November 2017**

Governing Body noted the minutes.

18.2 **Joint Audit & Risk Assurance Committee and Finance Employment & General Purposes Committee - 4 December 2017**

Governing Body noted the minutes and that matters for approval had been considered elsewhere in the meeting.

18.3 **Planning and Performance Committee - 30 November 2017** The Committee Chair asked Governors to note in particular the consideration of the Annual Report on Safeguarding (P&P Committee minute 17/4/6 refers). The Committee had received a high level summary report on the College's safeguarding and found it to be insufficient for its purposes. A more detailed report was required. The revised safeguarding report would be presented to the next meeting of the Committee before being presented to Governing Body. The Clerk would be arranging further Safeguarding training for governors as agreed in the annual training plan.

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Feb 2018
Clerk
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17/9/19 **Any other business**

- 19.1 A governor asked for clarification on the recent changes to the College's policy on criminal records checking, particularly if adults studying with under-18s and visitors required checks. The acting CEO said that the Policy and the law applied to staff and volunteers working with under-18s. The College could not require

students to undergo DBS checks but did ask them to disclose significant unspent offences so it could provide appropriate support and supervision. Staff should be supervising their visitors at all times while they are on College premises. The revised policy stresses the importance of all staff taking their safeguarding responsibilities seriously and being vigilant all the times.

- 19.2 The Governance Task and Finish Group would be reviewing the Safeguarding Risk Assessment that applied to Governor checks
- 19.3 A Governor asked why security personnel were staffing some receptions. The Acting CEO said that security staff did provide reception support when it is not possible for business support staff to do this. In future, the College wants to develop more hybrid and multifunction roles that we can deploy more flexibly throughout the full College opening time.
- 19.4 Staff Engagement Survey - it was noted that Governors had not received detailed analysis of the results of the 2017 survey and how the College is responding. It was agreed that the Executive team should focus its efforts on responding to the feedback with a pulse check or further survey in Spring 2018 to assess the impact of the changes.

17/9/20 **Review of meeting / closing remarks**

The Chair invited comments on the meeting.

17/9/21 **Date of next meeting**

Monday 5 March 2018 at 8.00 am - The Boardroom, City Campus