



FURTHER EDUCATION CORPORATION MEETINGS 2017/18

MINUTES OF THE FURTHER EDUCATION CORPORATION MEETING

Held at 5pm on Monday 9th July 2018
Nelson and Colne College, Boardroom

Members present: Stephen Barnes (Chair), Amanda Melton (Principal), Mike Phelan, Nadeem Rashid, Phil Wilkinson, Helen Khan, Haqiqa Ayub, Azhar Siddique, Kendell Earl, Rob Pheasey

In attendance: David Rothwell (Deputy Principal)
Tracey Baron (Associate Principal – Quality and Lancashire Adult Learning)
Paul Britton (Vice Principal - 6th Form)
Sam Mercer (Executive Director - Corporate Planning)

Debbie Corcoran (Clerk to the Corporation)

Peter Ryder and Nicola Tomlinson (Merger Project Team) – for item 5

Item 1.	<u>Welcome and Apologies for Absence</u>
	<p>Stephen Barnes (Chair) began the Corporation meeting by welcoming everyone, and introductions were made. It was confirmed that Rob Pheasey would be late to the meeting.</p> <p>Apologies for absence were received and accepted from:</p> <p>Emma Schofield, Jane Cleaver, David Whatley, Claire Pye, Zoe Ogden, Alison Rushton (Vice Principal - Apprenticeships and Skills Academy) and Anita Ghidotti (Executive Director)</p>
Item 2.	<u>Declarations of Interest</u>
	<p>It was noted that item 5. Merger Update included consideration of the appointment of designate posts while progressing merger, therefore the Principal, Clerk and senior team would leave the Board meeting when this element of the agenda item was discussed.</p> <p>Members and officers present declared that other than as above, they had no interests, personal, fiduciary, or otherwise in any item on the open agenda for the meeting.</p>

Item 3.	<u>Minutes of the Previous Meeting (11th June 2018)</u>
	<p><i>Submitted: 'Minutes of the Board of Corporation Meeting held on 11th June 2018' Part 1 and also Part 2 (confidential) (circulated in Board papers)</i></p> <p>The Minutes of the Board of Corporation Meeting held on the 11th June 2018 (part 1 and part 2) were both agreed as an accurate record following one amendment on attendance and for signature by the Chair.</p>
Item 4.	<u>Matters Arising</u>
	<p>Matters arising were as follows:</p> <ul style="list-style-type: none"> • The Clerk confirmed she had met with the Executive Director – Corporate Planning to review the format and content of the KPI report shared with Board, and an updated version would be available in 2018/19 • The planned update for the Board on the Gender Pay Gap would be available at the October 2018 Board meeting as it complemented the scheduled tabling of the College's Equality and Diversity Plan
Item 5.	<u>Merger with Accrington and Rossendale College (A&RC)</u>
	<p>Rob Pheasey joined the meeting.</p> <p>This was a confidential item, and is recorded through reserved minutes (part 2)</p> <p>After the item, Peter Ryder, Nicola Tomlinson, Kendell Earl and Hadiqa Ayub left the Board meeting.</p>
Item 6.	<u>Strategic Updates</u>
	<p>6.1 <u>Principal's Update</u></p> <p><i>Submitted: 'Principal's Report' (circulated with Board papers)</i></p> <p>Amanda Melton (Principal) presented her report, which included updates and information in key areas such as:</p> <ul style="list-style-type: none"> • College milestones and priorities up to the end of the academic year and over summer • Insight from having attended a Gatsby Foundation funded technical education study in Norway, and details of a planned visit to Dudley College on construction initiatives • Feedback from the AoC summer reception attended with the Chair, and headlines and impact through the national T levels inception event in Westminster, attended due to the College's participation in the national T level pilot • Key diary dates and events, welcoming Governor's attendance

	<p>The Board thanked the Principal for her update.</p> <p>Resolved: That the Corporation receive the ‘Principal’s Report’ and note its content</p> <p>6.2 <u>Strategic Priorities</u></p> <p>Amanda Melton (Principal) confirmed that updated Strategic Priorities would be proposed to the Board at the start of 2018/19. It was noted that should merger progress, then these would then be revisited.</p>
Item 7.	<u>Finance Report</u>
	<p><i>Submitted: ‘Finance Report’ (circulated with Board papers)</i></p> <p>David Rothwell (Deputy Principal) presented the report and drew out headlines for member’s consideration. Management accounts were shared for the first 10 months of the 2017/18 financial year, to the end of May 2018, and included:</p> <ul style="list-style-type: none"> • Income and expenditure account • Balance sheet • Cash flow statement • Ratio analysis • Staffing establishment schedule • Financial covenants summary <p>The Deputy Principal summarised that:</p> <ul style="list-style-type: none"> • The reported underlying performance in the period is a surplus of £95k. • The year to date (ytd) reported underlying operating position is a surplus of £790k which compares favourably to the £560k reforecast profile figure. • The EBITDA surplus ytd is £1.3mn • Solvency and working capital position is very similar to that of twelve months with a reported current ratio of 3.5 and cash and investment balances standing at £7.0mn (cash days of 131) • The staffing establishment FTE fell by 2.1 FTE’s in the period to stand at 376.3 (equivalent value twelve months ago was 355.5) • Overall current in year computed financial health grade remains ‘Outstanding’ • There are no covenant compliance matters to report. • Capital expenditure for the year stands at £468k <p>Updated outturn projections were incorporated within the financial forecast/budget papers considered separately on the agenda at item 8.</p> <p>The Deputy Principal also confirmed completion of a detailed insurance tender process, which utilised the Crescent Purchasing Consortium (CPC) framework agreement to underpin the process and followed CPC’s advice since it was supported by specialist professional support from Risk 2 Value. Following this thorough process, the College recommended retaining the incumbent provider (Zurich Municipal). It was confirmed that the headline ‘all in’ premium proposed inclusive of taxes has fallen by c£15k/20% and the cost confirmed. A summary</p>

	<p>extract from the detailed tender evaluation report and appointment recommendation from Risk 2 Value was shared with the Board for assurance.</p> <p><u>Resolved:</u> That the Corporation receive the Finance Report and note its content, including the appointment of Zurich Municipal to deliver insurance cover</p>
Item 8.	<u>Financial Plan – annual budget and 2 year financial forecast</u>
	<p><i>Submitted: 'Report' (circulated with Board papers)</i></p> <p>David Rothwell (Deputy Principal) presented the report, with key points drawn out for review by the Corporation in a supporting powerpoint presentation which was delivered at the meeting. The Deputy Principal explained that the budget setting process for 2018/19 had been completed and the report included the supporting commentary which would be submitted to the ESFA with the Financial Plan and would be further strengthened following Board review and input today. He thanked the College's finance team and senior team, in particular the Executive Director - Corporate Planning, for their input and support.</p> <p>The report and supporting presentation outlined:</p> <ul style="list-style-type: none"> • Context • Requirements • Performance against the College's strategic financial objectives (KPIs) • Assumptions • Headlines: softening of financial performance, breakeven 2018/19 budget, increase in income, staff costs and also operating expenses, plus departmental analysis • Sensitivity analysis • Financial health assessment: 2017/18 projection of good; 2018/19 budget of good and 2019/20 forecast of good <p>Governors scrutinised the report, approach and projections and their questions were answered. The Deputy Principal confirmed that if merger progressed to expected timescales then mid-year re-forecasting would begin in Autumn and include consideration of any remediation needed to strengthen the College's financial position at the end of the 2018/19 year. Governors expressed they would be concerned should the College risk moving to a deficit position through merger and underlined that any structural change is contingent on it delivering ongoing financial sustainability.</p> <p><u>Resolved:</u> That the Corporation receive the Financial Plan and 2 Year Financial Forecast and:</p> <ol style="list-style-type: none"> 1. Approve the annual budget for 2018/19 and the 2 year financial forecast(s) for 2018/19 – 2019/20 in order that the Principal's statement can be signed and the plans returned to the ESFA by the deadline of 31 July 2018 2. Approve the proposed medium term strategic financial objectives for the College 3. Consider and approve the sensitivity analysis of financial risks as part of the

	<p>College's overall risk management plan</p> <p>4. Confirm the financial health self-assessment of the College of good in 2017/18, 2018/19 and 2019/20</p>
Item 9.	<p><u>Tuition Fee Policy 2018/19</u></p>
	<p><i>Submitted: Tuition Fee Policy (circulated with Board papers)</i></p> <p>The Deputy Principal (David Rothwell) presented the proposed Tuition Fee Policy for 2018/19 for Board consideration and approval. He explained that the fundamental approach is largely unchanged from the current year and called attention to the approach in relation to LAL, HE and Apprenticeships.</p> <p>Governors scrutinised the policy and their questions were answered, including explanation of the changed national approach to fully funding adults on low incomes.</p> <p><u>Resolved:</u> That the Board receive and approve the Tuition Fee Policy for 2018/19</p>
Item 10.	<p><u>Pendle Education Trust (PET) – update</u></p>
	<p><i>Submitted: Report (circulated with Board papers)</i></p> <p>Amanda Melton (Principal) presented the paper, in Anita Ghidotti's absence. The report updated the Corporation on the development and latest position of Pendle Education Trust (PET) which is sponsored by the College. Updates included: the Trust Board structure and staffing; branding; the College's role as sponsor; the story so far; national policy context and the Trust's growth strategy.</p> <p>The Corporation discussed the report, asked questions and their queries were answered. An annual update for the Corporation on the Trust was agreed, given the College's role as sponsor. The Board welcomed the report, thanked the Trust for the update and acknowledged their continued success and development.</p> <p><u>Resolved:</u> That the Board receive the report on the Pendle Education Trust (PET) and request an annual update</p>
Item 11.	<p><u>Policies for Board Approval</u></p>
	<p><i>Submitted: Report (circulated with Board papers)</i></p> <p>Samantha Mercer (Executive Director - Corporate Planning) presented the following policies requiring Board approval:–</p> <ol style="list-style-type: none"> 1. Student Bullying and Harassment Policy 2. Discretionary Rules Under the LGPS Regulations Policy 3. Retirement Policy 4. Subcontractor Fees and Charges Policy 5. Staff Code of Conduct

	<p>After discussion and review by the Corporation, the Board agreed the policies.</p> <p><u>Resolved:</u> That the Corporation receive and approve the following policies: ‘Student Bullying and Harassment Policy’, ‘Discretionary Rules Under the LGPS Regulations Policy’, ‘Retirement Policy’, ‘Subcontractor Fees and Charges Policy’ and ‘Staff Code of Conduct’.</p>
Item 12.	<u>Meeting Schedule for 2018/19</u>
	<p>The Clerk to the Corporation tabled the Corporation and Sub-Committee meeting schedule for 2018/19 - dates were agreed and will be forwarded to Governors electronically as diary invites.</p>
Item 13.	<u>Reflections of a Vice Principal</u>
	<p>Paul Britton (Vice Principal - 6th Form) had been asked to share his reflections on working at the College, given his leaving at the end of the academic year to begin a new role as Principal at Wyke Sixth Form College. He was warmly thanked for his commitment, contribution and time at the College and wished all the best for his new role.</p>
Item 14.	<u>Any Other Business</u>
	<p>There were no items of any other business.</p> <p>The Chair thanked everyone for their contributions, and the meeting was closed.</p> <p>The date of next Corporation meeting was confirmed as Monday 23rd July 2018, 5pm-7pm, at the College’s mainsite</p>

Debbie Corcoran
Clerk to the Corporation

Signed as an accurate record:.....(Chair of Corporation)

Date:.....