



FURTHER EDUCATION CORPORATION MEETINGS 2018/19

MINUTES OF THE FURTHER EDUCATION CORPORATION MEETING

Held at 5pm on Monday 4th February 2019

Nelson and Colne College, Boardroom

Members present: Rob Pheasey, Amanda Melton (Principal), Mike Phelan, Nadeem Rashid, Phil Wilkinson, Claire Pye, Jane Cleaver, Emma Schofield, David Whatley, Steve Hughes, Stephanie Bridgeman, Brian Fisher, Tim Webber MBE

In attendance: David Rothwell (Deputy Principal)
 Tracey Baron (Associate Principal – Quality and Lancashire Adult Learning)
 Alison Rushton (Vice Principal – Skills Academy and Apprenticeships)
 Sam Mercer (Executive Director – Planning and Projects)
 Morag Davis (Assistant Principal – Technical Curriculum)
 Wendy Higgin (Vice Principal – Curriculum and Quality)
 Claire Jarvis (Assistant Principal – Finance and HR)
 Debbie Corcoran (Clerk to the Corporation)

<p>Item 1.</p>	<p><u>Welcome and Apologies for Absence</u></p> <p>Rob Pheasey (Corporation Vice Chair) was confirmed as the Chair of today’s Board meeting in Stephen Barnes absence. Attendees were welcomed and introductions made.</p> <p>Apologies for absence were received and accepted from: Stephen Barnes, Kendell Earl, Azhar Siddique and Helen Khan.</p>
<p>Item 2.</p>	<p><u>Declarations of Interest</u></p> <p>The Clerk updated that Declarations of Interest were in place for all Board members. It was noted that today’s Board meeting included discussion on the College’s estates strategy, and the Clerk confirmed that this item was not commercial in confidence therefore there was no conflict in the interests of Tim Webber MBE, in relation to his role at Barnfield.</p> <p>Members and officers present declared they had no interests, personal, fiduciary, or otherwise in any item on the open agenda for the meeting.</p>
<p>Item 3.</p>	<p><u>Minutes of the Previous Meeting (28th November 2018 Special Board meeting and 3rd December 2018 Board meeting)</u></p>

	<p><i>Submitted: 'Minutes of the Board of Corporation Meeting held on 28th November 2018' and 'Minutes of the Board of Corporation Meeting held on 3rd December 2018' (circulated in Board papers)</i></p> <p>The Minutes of the Board of Corporation Meeting held on the 28th November 2018 and 3rd December 2018 were reviewed and agreed as an accurate record, for the signature of the Chair. It was noted that the style and level of detail in Corporation minutes would be updated to balance recording detail of support and challenge while remaining succinct.</p>
<p>Item 4.</p>	<p><u>Matters Arising</u></p> <p>There were no matters arising.</p>
<p>Item 5.</p>	<p><u>Governance Matters</u></p> <p>5.1 Governance Report <i>Submitted: Report (circulated with Board papers)</i></p> <p>The Clerk presented the report.</p> <p>The Board noted the Audit Committee's written resolution agreed since the previous Board meeting, to approve the draft Financial Statements for the year ended 31 July 2018 for Accrington and Rossendale College, and to recommend their approval by the Corporation at today's Board meeting.</p> <p>Following this, the Clerk updated the Board on the robust process followed to invite expressions of interest from staff for the 3 Staff Governor vacancies on the Corporation. The Board thanked the Clerk and welcomed the level of interest from College staff for the roles. The Board agreed delegated authority for the College's Principal and Corporation's Vice Chair to approve the appointment of candidates after staff voting closes, on the basis of the greatest number of votes received for each position. Appointment would be to a 2 year term of office, with Staff Governors then able to be considered for an additional 2 year term in the role.</p> <p>The Chair, Board and Principal expressed their thanks to Claire Pye (Staff Governor) whose term of office ended today, for her commitment and valuable support for the College and Board throughout the role.</p> <p>The Board noted the summary outcomes from the Corporation's recent annual self-assessment exercise, and welcomed the overall position being a self-assessment of 'outstanding'. The self-assessment was recognised as a valuable exercise to support continuous improvement in governance. Areas of support from the Clerk were agreed and priorities for individual Governor and Corporation learning and development approved.</p> <p><u>Resolved:</u> To delegate authority for the agreement of the appointment of 3 Staff Governors following staff elections</p> <p><u>Resolved:</u> To note the outcome of the 2018 Board annual self-assessment of governance as being 'outstanding' and approve the areas of learning and development proposed for individual Governors and the Board</p>

	<p>5.2 Key Performance Indicators (KPIs) <i>Submitted: Report (tabled in the meeting)</i></p> <p>Sam Mercer (Executive Director – Planning and Projects) presented the report which offered a revised framework of Key Performance Indicator (KPIs) measures and targets for 2018/19, for Board review and agreement. The Clerk updated on the outcomes and recommendations to the Board on KPIs following Committee’s review of previously proposed targets. This finer grain review was requested by Board to ensure the ambition but realism of KPIs, and the process and outcomes summarised in unapproved Committee minutes on today’s meeting agenda.</p> <p>The Board discussed the KPI framework and targets and reviewed Committee feedback and assurance. It was noted that the College has merged in-year and agreed a number of performance measures and targets with the Transaction Unit (TU) and ESFA for receipt of Restructuring Facility, which must be reflected in the KPI framework and targets. The Board welcomed KPIs being split out and reported, monitored and scrutinised at both Corporation and also in sub-Committees – and the clear process for Committees to escalate and highlight to the Board any concerns or areas of risk.</p> <p>It was agreed that Committees will receive their first KPI dashboards at their next scheduled meetings and that the College’s supporting Risk Register will be updated and shared at the Corporation’s Awayday on 24th April.</p> <p><u>Resolved:</u> To agree the framework and targets in the revised Key Performance Indicator (KPI) framework, and supporting process of assurance and scrutiny</p> <p><u>Resolved:</u> For the Board to receive an updated Risk Register and supporting process for assurance and scrutiny at the Corporation’s 24th April Awayday</p>
<p>Item 6.</p>	<p><u>Principal’s Report</u></p> <p><i>Submitted: Report (circulated with Board papers)</i></p> <p>Amanda Melton (Principal) presented her report, offering an update on key College developments since the last Board meeting, including:</p> <ul style="list-style-type: none"> • Restructuring of the College’s Senior and wider Leadership Teams • An update on the branding and values work being completed in the College, with external facilitation, and the input and oversight of the Board • Key developments in relation to finance and resources, and quality and curriculum, including key outcomes and learning from the Curriculum Performance Reviews (CPRs) underway, progress with the introduction of T levels and also the development of the Centre of Excellence for Maths <p>Governors reviewed the report, and their questions were answered.</p> <p><u>Resolved:</u> To receive and note the Principal’s Report</p>
<p>Item 7.</p>	<p>7.1 Quality and Curriculum Committee minutes (unapproved – 14 Nov 2018) <i>Submitted: Report (circulated with Board papers)</i></p>

	<p>Mike Phelan (Chair of Quality and Curriculum) presented the unapproved minutes from the meeting of 14th November 2018, highlighting any key areas of risk or issues for Governor awareness. The Committee's thorough review of KPIs was outlined and the updated performance position in relation to ALPs and DfE performance measures highlighted.</p> <p>7.2 Adult Community Learning (ACL) Advisory Board minutes (unapproved – 9 Nov 2018) <i>Submitted: Report (circulated with Board papers)</i></p> <p>Phil Wilkinson (Chair of the ACL Advisory Board) presented the unapproved minutes from the meeting of 9th November 2018, highlighting any key areas of risk or issues for Governor awareness. The value of the Advisory Board's deep dive into employability provision and video to hear the Learner Voice was shared, and positive feedback given on the strength of dialogue and challenge continuing to be demonstrated in the Advisory Board.</p> <p><u>Resolved:</u> To receive and note the unapproved minutes from the Quality and Curriculum Committee meeting of 14th November 2018, and the Adult Community Learning (ACL) Advisory Board meeting of 9th November 2018</p>
Item 8.	<p><u>Annual Complaints Report</u></p> <p><i>Submitted: Report (circulated with Board papers)</i></p> <p>Sam Mercer (Executive Director – Planning and Projects) presented the report which summarised the complaints received by the College in the 2017-18 academic year. It was noted that the volume of complaints had reduced since the previous year. The Corporation reviewed a headline summary of the nature of complaints to understand any areas of concern highlighted by learners, their families, residents, stakeholders, partners etc.. It was confirmed that there is no national benchmark information available for comparison, so trends across years within the College remain key. The next report received by the Board will summarise the position for the new, merged College.</p> <p><u>Resolved:</u> To receive and note the annual Complaints Report for 2017/18</p>
Item 9.	<p><u>Finance, Resources and Audit</u></p> <p>9.1 Finance and Resources Committee Minutes (unapproved – 17 December 2018) <i>Submitted: Report (circulated with Board papers)</i></p> <p>Brian Fisher (Vice Chair of the Committee) presented the unapproved minutes from the first meeting of the new Finance and Resources Committee, highlighting any key areas of risk or issues for Governors awareness.</p> <p>Through the minutes and discussion, the Board noted:</p> <ul style="list-style-type: none"> • the current position and programme of work in relation to the estate development at both Accrington and Nelson

- the scope, conditions and current delivery position in relation to the Restructuring Facility (RF) and supporting Grant Funding Agreement (GFA)
- the College's financial position as at the end October 2018, set out in management accounts

The Board noted that the Finance and Resources Committee had asked for today's Board meeting to include an in-year financial update and updated set of management accounts, and this was included in reports. The flow of information from Committees to Board needed to be effective, and the timetabling of papers and items programmed to ensure pace and the appropriate level of scrutiny and decision-making.

Resolved: To receive and note the unapproved minutes from the Finance and Resources Committee meeting of 17 December 2018

9.2 Approval of Accrington and Rossendale College (A&RC) Financial Statements 2017-18

Submitted: Report (circulated with Board papers)

David Rothwell (Deputy Principal) presented the report. As highlighted to the Corporation previously, Accrington and Rossendale College's 2017-18 financial statements could not be finalised/signed off prior to the College's dissolution and this responsibility had therefore transferred over to Nelson and Colne College for completion and approval. With Board agreement, Accrington's incumbent financial statements auditors – Grant Thornton – had been re-engaged by Nelson and Colne College for the specific purpose of completing this assignment.

The report included for Board scrutiny the draft Financial Statements for Accrington and Rossendale College 2017-18, as agreed with Grant Thornton, and the supporting Audit Findings Report – both of which were shared subject to Grant Thornton's final internal review. The Board noted that the Corporation's Audit Committee had received and reviewed these two documents and recommended their approval by the Corporation. Following discussion and review, the Financial Statements and supporting Audit Findings report from Grant Thornton were approved.

Resolved: To receive and approve the Accrington and Rossendale College financial statements 2017-18 and accompanying Audit Findings Report from Grant Thornton

9.3 Finance Report including mid-year reforecast

Submitted: Report (circulated with Board papers) and summary presentation

David Rothwell (Deputy Principal) presented the report which included a summary financial position up to 30 November 2018 and an income and expenditure re-forecast. The Deputy Principal explained that due to the complexity of merger in-year and introduction of a new finance system, the position had been drawn from separate reports, manually combined together and did not offer current position at end December as Board would usually receive at this point of the meeting cycle for assurance. Finance and Resources Committee will receive updated financial information at their meeting of for scrutiny and review, and the usual timing and cycle of report production be in place moving forward.

The report, and supporting presentation in the meeting, confirmed:

- the approach and timing of the agreement of financial statements and accounting principles post-merger
- supporting information through an Income and Expenditure account, balance sheet and ratio analysis
- the combined year to date (ytd) underlying operating performance is £9,760k surplus compared to a profile of £228k deficit (inclusive of Restructuring Facility/Exceptional Financial Support grant income, loan break costs and EIB grant release within the Accrington ytd, items which weren't included in the original budget)
- EBITDA surplus ytd is £11,908k compared to £239k budget profile (noted as £295k without RF and EFS)
- in-year staff costs to income ratio is 71.1%.
- cash and investment balances of £8.894m (cash days of 108).
- current ratio of 1.9.
- a reforecast underlying operating performance of £15,346k surplus compared to a CFADS target of £14,969k surplus (£352k positive variance)

The Deputy Principal explained current operating context and key factors affecting the current financial position and information presented, particularly the impact of merger/transition, approach to merger accounting, the comparative position and expectations set out in CFADs modelling and the developing capital programme. The proposed reforecast was set out and reviewed by the Board against the original budget and key risks and sensitivities considered - particularly in relation to performance against key contracts, pay costs and also capital investment and cashflow.

Following scrutiny and review, the Corporation approved the re-forecast budget for 2018/19.

Resolved: To receive the Finance Report, note the financial position up to 30 November 2018 and approve the re-forecast budget for 2018/19

Item 10.

College Estates and Capital Investment Strategy

Matthew Hirst, Director of Fusion attending from 6pm

Submitted: Report (circulated with Board papers) and presentation delivered at the meeting by Matthew Hirst (Fusion Ltd)

Matthew Hirst of Fusion Ltd joined the Board meeting to offer an update to the Corporation on the position and progress with regards to the College's developing estates investment strategy following merger. The update included progress to-date, an overview of the merger estates strategy, an update on phase one of the 2018/19 capital investment programme, an overview of the preliminary implementation programme, indicative capital costs and also a review of the key issues and risks.

In terms phase 1 in 2018/19, the key milestones for the Accrington and Rossendale site were noted as:

- Design development January – April '19
- Contractor procurement April - May '19
- Staff relocation (to 3rd floor Broad Oak) April / May '19
- Heartwood remodelling June – August '19

- Broad Oak Centre modernisation June – August '19
- Coppice Centre demolition June – August '19

Headlines presented and discussed included:

- appointment of the project team and work to progress the brief/outline designs for key work packages – their capacity and expertise
- the completion and findings from site surveys, and next steps including development of building plans, a topographical survey of the Accrington and Rossendale site and also the approach and position in relation to asbestos
- the College's work with external advisors to scope and ensure incoming services and IT infrastructure continues uninterrupted during site changes and demolition
- the master programme's refinement:
 - Procurement / delivery strategy for each work package
 - Fully coordinated with College workstreams / term dates etc

In relation to the budget breakdown shared, the Board noted that the costing of work packages is likely to change, within the overall budgetary total.

Scrutiny and challenge included assurance that the projected £2.4m spend by the end of March is on track and achievable, and confirmation of the ESFA's evidence requirements on spend. The approach to ensure best value was discussed, and risks of accelerating IT and capital spend to include costs within the challenging timeframes for Restructuring Facility were acknowledged and reviewed.

Matthew Hirst and the Deputy Principal confirmed that the project and strategy is progressing at the required, and challenging, pace. Risks and contingencies were discussed to ensure the Board's awareness and give assurance. Assurance was also given on effective and timely communications on the strategy and the plan of works to both students and staff.

The Deputy Principal confirmed the College's exposure to clawback should spend not be achieved against the profile agreed with ESFA for Restructuring Facility. It was confirmed that the College is liaising with Local Authority planners in all relevant areas, and there are no issues to-date. The Deputy Principal outlined that advance payment bonds in respect of contractors are not being considered and would be avoided as the ESFA's view is that such an approach exposes the Agency to risk.

The Corporation was assured that the strategic approach is progressing as agreed, to the budget and milestones expected. Risks were acknowledged and being managed. Further updates and assurance is to be given to Board at future Corporation meetings and through the Finance and Resources Committee as appropriate.

Resolved: To receive the update on the College's merger estates strategy and capital investment programme

Item 11.	<u>AOB</u>
	There were no items of any other business.
Item 12.	<u>Reflections of the meeting and fit with values</u>

	<p>It was agreed to include this reflection at the next Board meeting as the College's values were under review.</p> <p>With this the Chair brought the meeting to a close, thanking all attendees for their contributions and inputs.</p>
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Debbie Corcoran
Clerk to the Corporation

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

Name:.....Date:.....