



GOVERNORS' MEETING Minutes of the meeting on 17 December 2015

Present: Ms Michelle Balcombe, Mrs Carol Clapham, Mr Rob Doran, Mrs Diane Evans, Dr Jonathan Godfrey, Dr Marion Hawkins, Mr Clive Hodgeman, , Dr Ken Hopkins (Chair), Mr Shubham Kulkarni, Mrs Heidi Macdougall, Mr James Miller, Mr Rob Newton, Mr Ravi Tandon, Dr Amber Tahir, Mr Phil Tranter, Mrs Shirley Tully (16)

In attendance: Mr Peter Cooper (Deputy Principal), Mr Robert Gorman (Clerk),

1. APOLOGIES FOR ABSENCE

Mr Charles Davies, Mr Chris Hodson, Mrs Sallyanne Griffiths (Finance Director) (2)

2. DECLARATIONS OF INTERESTS AND GIFTS

None

3. MINUTES OF THE MEETING HELD ON 15 OCTOBER 2015

The Minutes were approved as an accurate record and signed

4. MATTERS ARISING FROM THE MINUTES

None.

CHAIRMAN'S REMARKS

The Chair requested, and it was agreed, that the Self-Assessment Report, item 7 on the agenda, be taken at the start of the meeting.

7. COLLEGE SELF-ASSESSMENT REPORT ON THE ACADEMIC YEAR 2014-15

The Deputy Principal introduced the SAR report, using a PowerPoint presentation to explain its purpose and the way it is constructed, through an annual process stemming from the Mission Statement and 3-5 year targets, and looking back at the previous year. All departments, staff and Governors contribute to what is considered to be a valuable and robust process for the whole College.

The 2014-15 report drew on the Ofsted Common Inspection Framework 2015, which gives Leadership and Management a higher priority than previously. Other sections cover:

- Quality of Teaching Learning and Assessment
- Personal Development, Behaviour and Welfare of Leavers (new section)
- Outcomes for Learners
- Departmental Grading
- Outcomes of previous year's development plan
- Development Plan for 2015-16

The Deputy Principal indicated that Departmental grading is drawn from value added performance of students, retention and success rates and observation feedback, which, in turn, all leads to areas for development and plans.

The College's overall effectiveness and Common Inspection Framework Criteria were all assessed as 'Outstanding', despite significant cuts to funding experienced in recent years, but there are still a number of Areas for Development, which the Board considered, including the need to:

- improve the success rates on a small number of courses
- embrace the continuing assessment and curriculum changes
- respond to the challenge of reduced funding per student impacting on financial forecasts and staffing levels.

Leadership and Management is a key area of focus for Governors, where areas for improvement included: reviewing curriculum and managing College finances in the face of severe cuts and demographic changes.

Raw and Value-Added performance continue to be exceptionally strong, and Success rates also remain high. Curriculum area grades were examined and discussed. Learners' views are taken into account in the report, and members noted that students liked the high quality of teaching, effective monitoring of their progress and excellent extra-curricular and enrichment activities amongst other things.

The Board spent considerable time on this agenda item, and the many questions from members included: level of investment in music technology, explanation of learning walks, plans for curriculum areas not graded 1 or 2, what is a moodle, work of the Quality Review Group.

Peter Cooper left the meeting at this point.

The Board **AGREED** that the Self-Assessment Report is a robust and realistic summary of the College's strengths and weaknesses. The Chair congratulated the Principal, and Deputy Principal in his absence, on the management of the self-assessment process and the Report.

The Board then **AGREED TO APPROVE** the Self-Assessment Report 2014-15 and the SAR Development Plan 2015.

5. **CLERK'S REPORT**

The Clerk gave a verbal report and confirmed that the number of Board members now stood at 19 again, following the resignation of Christine Wright. The Clerk went on to thank Governors for completing both the Assessment of Board and Committee Meeting, Circulated Papers and Governance, and Skills Audit and Training Needs questionnaires circulated in October. A summary of the latter, which will go to Staff and Students Committee in January, concluded that training in governance and its legal aspects was warranted. Governors were reminded to return outstanding signed Declarations of Eligibility and Interests.

6. **PRINCIPAL'S REPORT**

The Principal presented his report and thanked Governors for all their support during 2015. Retention and Attendance remain at a very high level, and still a key report to Governors. UCAS applications had been made by 687 students, 601 (87%) gaining places, including 14 at Oxbridge.

Local issues included the University for Hereford – NMITE – and the recent CSR had included an announcement that funding would be provided to support its development. The Hereford University Centre at Hereford and Ludlow College is a project with the University of Worcester, and not connected in way to NMITE.

Other items in the Report are dealt with under separate agenda items and Committee reports.

8. AREA REVIEW UPDATE

The Principal updated members on the Area Review process referring to the formal letter of 27 November sent to the College, announcing The Marches and Worcestershire Area Review. The Steering Group, a key element of the process, will have meetings between January to May 2016, and it is expected that the Chair will be Peter Mucklow, the Sixth Form College Commissioner. The initial briefing meeting for Principals and Board members is on 14 January in Telford. The Chair and Principal will attend. Each of the colleges engaged in the Review will have a one day on-site visit to talk to key members of the college team and gather further information to support the development and assessment of options for the future.

A copy of the completed College questionnaire for the Review had been circulated to members.

The Chair commented that the process of 'academisation' may save colleges VAT, as Academies are eligible for VAT rebates. The recent CSR had also included a statement that SFCs will become eligible for Academy status, but more details expected in February. The DfE is keen to receive innovative proposals through area reviews and this could involve groups of SFCs, schools and colleges establishing Multi Academy Trusts.

The Principal referred to the SFCA information documents, Academy Status, and Sixth Form Colleges and Academy Conversion circulated to members, and confirmed that in the last financial year, the College had suffered VAT in the order of £600k (£250-300k in a normal year), including VAT on major capital projects. In response to a member's question, the Principal confirmed that funding remains the same where an SFC becomes an academy. A college can set up a Single Academy Trust, but the preferred option for HSFC will depend on details of the mechanism to be released by the DfE in February. The Public Accounts Committee (PAC) produced a report on 16 December entitled 'Overseeing the financial stability of the FE sector' on financial health of the FE sector, in which it is critical of funding cuts on colleges and the area review process, recommending the government should "demonstrate the area-based reviews are taking a sufficiently comprehensive look at local provision taking into account all FE providers and school sixth forms"

Governors felt that the Review questionnaire had been completed excellently, and after discussion, Governors **NOTED** the documents and report.

9. CONSORTIUM OF HEREFORD COLLEGES

The Principal outlined the Memorandum of Agreement of the Herefordshire Consortium of Colleges, explaining that the new memorandum document is based on the original consortium agreement of 2005. The three colleges which comprise the Consortium are:

- Hereford Sixth Form College
- Hereford College of Arts
- Hereford and Ludlow College

The strategic objectives of the consortium include:

- Collaborative approach to site development
- Sharing and pooling of resources to achieve value for money and avoid duplication (eg joint purchasing)
- Sharing good practice
- Reduction of running costs

All three colleges are putting the Agreement to governors at their December meetings. After discussion, the Board **AGREED TO APPROVE** the Memorandum of Agreement.

10. COMMITTEE REPORTS

i. Finance & Premises Committee on 3 December

The Committee Chair reported that the Committee had discussed Monthly Management Accounts for October, looked in detail at the Financial Report and Accounts for 2014-15 and had considered the College's 2015-16 Grant Application.

Management Accounts for October

Payroll costs are running at less than budget, but as a percentage of income are forecast at 70.8% for the year. A gross surplus of £18k (budget deficit £93k) is forecast for the year at this stage. Cash balances and net current assets remain strong. The Committee Chair indicated that the Committee was comforted by the professional way the Finance Director managed the Management Accounts.

The Board considered the Committee's report, and then **AGREED TO APPROVE** the College's Monthly Management Accounts for October 2015.

Financial Report and Accounts

The Committee had recommended the Report and Accounts for approval, subject to the report from the Audit Committee. The performance against financial targets for the year was strong, and the operating surplus was helped by tight control on Salary costs. The College returned an improved deficit position on Continuing Operations after Depreciation adjustments. The Balance Sheet remained strong with Net Current Assets of £1.682m.

The Board considered the Committee's Report but resolved to defer approval until after the report from the Audit Committee (see Minute 10ii).

2015-16 Condition Improvement Fund Bid

The Committee had discussed two proposals, the preferred being the rewiring of the 'old' College building, Aconbury Blue. Bids had to be with the Funding Agency by 16 December.

The Board **AGREED** with the proposal that a grant bid be made for the project.

The committee had noted that the narrow access to the Visitors' Car park was being reviewed by the Estates Manager.

The Committee's Minutes were then considered and **APPROVED AS A CORRECT RECORD**

ii. Audit Committee on 8 December

The Committee Chair reported that the Audit Committee had examined all aspects of the Annual Financial Report and Accounts, which had previously been examined by the Finance & Premises Committee (see previous Minute), and noted that both Audit opinions in the Statements are unqualified. Achievement against target for the College's strategic financial objectives and performance against financial targets for the year were met or better than expected.

It had also examined the Financial Statements Auditors' Findings Report, where no material funding or regularity issues were noted. The College's accounting policies are appropriate and are consistently applied, and net unadjusted misstatements were considered immaterial. The draft Letters of Representation and Regularity Audit had also been scrutinised.

After discussion, the Board then **AGREED TO:**

- adopt the Financial Statements, Report and Accounts for 2014-15
- approve the Letters of Representation within the Audit Findings Report
- authorise the Principal and Chair to sign off the above documents

The Committee had also received a Summary of findings from the Governors' Assessment of Board and Committee meetings, Circulated Papers and Governance. The results were consistent with previous year's assessment. There is a strong conviction that meetings are well run and effective, with the Board seen as effective and working well as a team.

The Committee had been notified of no movement from the risk analysis schedule and action plan presented at its previous meeting. Members considered, and the Principal agreed, that the risk management action plan should be received at future Committee meetings irrespective of any new risks or information being added.

The Committee Minutes were then considered and **APPROVED AS A CORRECT RECORD.**

11. ANY OTHER BUSINESS

The date for the next meeting of the Curriculum Committee has been changed from 14 January to 7 January. Governors were reminded of the dates of the College's Academia Musica Orchestra and Choir events over the Christmas period.

12. DATE OF NEXT MEETING

Thursday 4 February 2016, at 6.00pm