

1. CORPORATION DEVELOPMENT SESSION

Part One: PREVENT – Update

A presentation was received from the Principal giving members an overview of the requirements and the Corporation's responsibilities in the context of the recently passed legislation in terms of preventing radicalisation and of the College response. Observing the progress made in this regard towards the review and integration of the duties' requirements into all aspects of the College operations and activities there was discussion of:

- The Prevent risk-assessment and the action plan, the focus of which it was reported reflected the key risks for the College, noting the immediate priorities identified and the action taken and under way, including the review and update of policies and procedures.
- The range of strategies involving students for the raising of awareness and challenge of behaviour both in respect of pastoral activities and the integration of the prevent principles within teaching and learning activities and tutorial programmes.
- Training already undertaken and planned. To supplement the information provided in the development session, members were invited to complete the College's on-line training package the details of which had been included in the Clerk's Report (Minute 3.5.1 refers)
- The timescales within which implementation was required and the extent to which there would be scrutiny by external agencies such as Ofsted observing that as a newly introduced duty it was anticipated that review would be undertaken in that context.

The Principal was thanked for the update.

Part Two: Stanmore – Next Steps

Further to members' previous discussions and the November 2015 joint meeting members were advised that following the Stanmore College Board's recent meeting:

- The Principal had been advised of the decision for Stanmore College to proceed with its SPA but that it had now been decided for the services of a separate consultant to be commissioned.
- The Principal of Stanmore College had confirmed that her retirement would commence in March 2016 after which time she would be retained to maintain oversight during and offer guidance in respect of the West London Area Review.
- An Interim Principal was to be appointed from January 2016.

Discussing the extent of guidance available regarding the area review process for London, members were advised that information had not yet been made publicly available but that it was expected for the process to commence in West London in March 2016 with an anticipated completion date of June 2016.

2. PRELIMINARY PROCEDURAL MATTERS

2.1 Attendance, Apologies for Absence, Welcome & Introductions

Membership: Pat Carvalho
Tracey Critchley
Mark Eastwood (Chair)
Sandra Ernstoff
Johanna Morgan
Ajay Modha
Steve Owen
Sachin Shah
Yuksan Wang

In attendance: Judith Abbott
Jayne Chaplin (Clerk)
Virginia Fossard

Apologies: Nick Davies
Ketan Sheth
Mumtaz Van der Vord
Elizabeth Warriner
Antonio Weiss

On behalf of the Corporation Johanna Morgan was welcomed to her first meeting and introductions were undertaken.

2.2 Chair's & Clerk's Announcements

There were no announcements.

2.3 Declarations of Interest & Confidential Items

Declarations of Interest were received from Sachin Shah as Councilor for Harrow Council.

2.4 Minutes & Matters Arising

2.4.1 Minutes of the Corporation Meetings, 14 October 2015

The Minutes of the Corporation Meeting held on 14 October 2015 were agreed as a correct record and signed by the Chair.

3. ITEMS FOR FORMAL APPROVAL OR NOTING

3.1 Monitoring Performance: College Dashboard

The College Performance Monitoring Dashboard was presented.

Representing the second report of the autumn term, confirming both the year-end position against the objectives for 2014/15 and year to date performance, there was particular consideration of:

3.1.1 Financial performance, observing those items reviewed elsewhere on the agenda (Minutes 3.2.2b and 3.2.3c refer) and noting in particular:

- The position reported concerning International Income and confirming that whilst recovery by the year-end was not anticipated, steps were being taken to mitigate the position.
- In respect of current year enrolment, noting doubt expressed by management about the meeting of the target for the year for 16-18 year old learners and confirming that the position would be reviewed in January 2016 to fully assess the extent of any financial impact.

3.1.2 Curriculum and quality performance, observing those items reviewed elsewhere on the agenda (Minute 3.2.1b refers) and noting:

- Whilst attendance was at 88% overall, there had been a significant improvement in some curriculum areas including Maths, ICT and Science. It was however confirmed that those areas remaining of concern were the subject of continued attention with discussions taking place with the relevant managers.
- Although success rates overall remained slightly in excess of the sector benchmark there were areas that would form the subject of focused attention including English and Maths, acknowledging that there had been improvement but that further work was required.

Following discussion, the report was noted

3.2 Reports on and Recommendations from Committees

3.2.1 Summary of & recommendations from the Curriculum, Quality & Standards Committee, 09/12/15

An overview of the business of the meetings was presented noting those items appearing elsewhere on the agenda for information and reviewing the recommendations regarding the main items of business:

3.2.1a Corporation Self-Assessment Report

A report was received advising members on the process for and outcome of the governance self- assessment for 2014/15, the conclusions of which it was noted contributed to the leadership and management element of the College's Self-Assessment Report.

Following review by the CQS Committee, members observed the introduction of the area for improvement focusing on the challenge of inconsistent academic performance especially relating to the securing of improved outcomes and consistent quality across all provision in order to secure an outstanding rating.

Reporting that its inclusions was reflective the focus of Ofsted in its review of and comment on the governance of colleges and the need for corporations to exercise particular rigor in the management of under-performance, its inclusion and the particular focus was endorsed on the management of the Apprenticeship provision and expediting improvement in teaching, learning and assessment, and outcomes in full time Business Management provision, outcomes in Level 2 Maths and English.

Concurring with the conclusions within the report and on the recommendation of the CQS Committee, it was **RESOLVED** to:

- The **APPROVE** of the Corporation SAR 2014/15 and the Contributory Grade towards leadership and management, Grade 2.

3.2.1b College Self-Assessment Report

The draft College Self-Assessment Report was received following review by the CQS Committee.

In its revised format, reflective of and aligned to the new Ofsted Common Inspection Framework, the SAR report commentary and the overall judgment for the College of Good was presented noting the rationale underpinning and evidence supporting the conclusions made including:

- All aspects rated as Good and three curriculum areas rated as Outstanding with nine rated as Good
- The improvement in achievement for 16-18 years olds since the last inspection, now at 85.2%, a 2.4% increase on the previous year and fractionally above the curriculum adjusted national rate
- Adult learner success rates of 87.8% and achievement of 94.5%, remaining very good overall and outstanding for a very large majority.
- Improved high grades.
- Good progression from Entry to Level 1, from level 2 to level 3 and from level 3 for 16-18 year olds.
- The improved FE Choices rating by students from 7.8 to 8.1.

Considered by CQS Committee to reflective of significant changes to leadership and management in 2014/15 the evidence supporting the conclusions of the positive impact on performance was reviewed, noting amendments proposed by the Committee and incorporated into the report:

- With the context within the Effectiveness of Leadership and Management Section, elaborating on the significance of the structural changes to leadership and management in 2014/15 to highlight the recognition of and ownership taken for the tackling and addressing areas of underperformance to ensure the sustainability of provision and outcomes.
- With further reference throughout and illustrations of the positive impact of the College Gold Standards to demonstrate the embedding of the Standards throughout the organisation.
- Expanding on the College's links and work with external partners and employers, observed to be considerable in nature with greater recognition considered important, particularly in the context of the national focus on such links and the impact for students in the development of appropriate skills for life and employment; and
- Expanding further on both the College's Centre of Excellence as an additional example of the promotion of equality and diversity.

Reviewing the performance of the respective curriculum areas and acknowledging, in addition to English and Maths, the need for expedited improvement in the small minority of provision highlighted, there was particular consideration of:

- The English and Maths provision recognising that whilst success rates had improved, further action was required. Reflecting further in the context of the government priorities and the Ofsted focus, the potential was explored with management for this to have a potentially negative impact on any overall inspection outcome. Acknowledging that the provision would form the subject of particular scrutiny members were advised that it was anticipated that such review would take place in the context both of the College's overall provision and its strategic approach, the impact of which had and was supporting improvements in teaching and learning and outcomes.
- The apprenticeship provision, judged as Grade 4, inadequate, acknowledging the position to be unsatisfactory notwithstanding that such provision represented a very small minority of students.

Whilst recognising the swift intervention and action taken and outlined in the separate self-assessment report to secure improved outcomes and the expectation of a Grade 3 judgment, there was further discussion with management not only of the extent to which such an outcome by the academic year-end but also whether its longer-term viability was realistic. Expressing assurance in the action planned and taken members were advised of an already positive impact to support management confidence in improved outcomes within the stated timescales and the longer-term future of the provision, particularly with its importance as a government priority. The government focus aside, the importance was acknowledged of its continuation as an integral part of the College offer in order to provide the community with appropriate opportunities for progression and entry into employment and contribute to the local economy.

Similarly, there was discussion with management of the extent to which it was considered that this would have a negative impact on any overall inspection outcome, noting that it was hoped for review to also take place in the context both of the College's overall provision and the decisive action taken to secure improved outcomes.

After detailed consideration and on the recommendation of the CQS Committee, it was **RESOLVED** to:

- The **APPROVE** of the College SAR for 2014/15

3.2.1c Quality Improvement Strategy

A report was presented on the College's Quality Improvement Strategy.

After reminding members that a wholesale review of the Strategy had been undertaken and a revised Strategy approved in December 2014, focussing on the incorporation of the College's development and subsequent embedding of its own Quality Standards into College operations, an updated document was presented reflecting the work subsequently undertaken with the Gold Standards.

On the recommendation of the CQS Committee, it was **RESOLVED** to:

- **APPROVE** the Quality Improvement Strategy as amended.

3.2.2 Summary of & recommendations from the Audit Committee, 2 December 2015

An overview of the business of the meetings was presented noting those items appearing elsewhere on the agenda for information and reviewing the recommendations regarding the main items of business:

3.2.2a Internal Audit Annual Report 2014/15

The 2014/15 Annual Report of the former Internal Audit Service was received covering the period from 1 August 2014 to 31 July 2015, undertaken in accordance with the internal audit plan previously approved by the Corporation.

It was reported that it was the opinion of the IAS that it was satisfied that sufficient internal audit work had been undertaken to allow it to draw a reasonable conclusion on the adequacy and effectiveness of the College's arrangements; and that in its opinion the College had adequate and effective governance, risk management and control processes to manage the achievement of its objectives

On the recommendation of the Audit Committee, it was **RESOLVED** to:

- **APPROVE** the Internal Audit Annual Report 2014/15

3.2.2b Draft Financial Statements, Audit Management Report & Letter of Representation for the Year-ended 31/07/15

The Year-End 31 July 2015 draft Financial Statements and Annual Report were presented.

It was reported that the Audit Committee, had reviewed the draft Financial Statements & Annual Report in the context of the Audit Highlights Memorandum & Management Letter and Regularity Audit Opinion, noting the Auditors' unqualified audit opinion.

Following audit therefore, it was confirmed was received that for the year-ended 31 July 2015 the College achieved:

- A surplus for the year was £0.1 million, representing an improvement on the deficit recorded in the prior year of £1.6m, primarily attributed to the increase in funding body grants of £1.0m and reduced staff costs.
- A cash flow statement showing positive cash flows from operations of £2.4m, which was helped by a £1.0m non-cash depreciation charge and working capital movements

Reviewing the Financial Statements members and the KPMG's Audit Management Letter it was noted that:

- In terms of signing off the accounts, one matter remained outstanding, concerning an SFA decision regarding grants paid in advance of need which whilst a sector-wide matter affecting all colleges that received grant funding in March 2015 that was in advance of the related expenditure members, in the case of the College this concerned

some £2.8 million of grant funding so the implications of the SFA decision were potentially very significant. Acknowledging that such confirmation was important to support the approval of the 2014/15 accounts, members were advised that the SFA were considering each case, and were expected to confirm shortly whether any claw back would be made.

- The draft Financial Statements had been reviewed by the Audit Committee in the context of the going concern assumption in the statutory accounts and giving further consideration to the next twelve-month period recognising that careful cash management would be required, especially around March 2016 where the phasing of funding body income would leave the college with minimal cash headroom; and that close monitoring of working capital would remain important.

Subject to the resolution of the outstanding matters highlighted and on the recommendation of the Audit and Resources Committees, it was **RESOLVED** to

- **APPROVE** the Draft Financial Statements & Management Letter for the year-end 31 July 2015

3.2.2c Risk Management Update

The key changes were summarised with members discussing in particular the changes in risk profile in 2015 compared with 2014. Acknowledged to be reflective of the increasingly riskier environment within which the College was operating, noting and discussing in particular that:

- This was reflected by the addition of two new risks, and an increase in the number of high risk items with the top two risks swapping places with the failure to generate an operating surplus reducing slightly in terms of severity, reflecting last year's positive out-turn, but remaining a high risk in any event; and the inclusion of two new risks concerning failure to optimize outcomes of Area Reviews, and to process data timely and accurately, to ensure effective and meaningful management information for decision making, reflective of recent experiences and the College's prioritisation of this issue.
- Two risks had higher risk scores than in the previous year with the management of cash flow and the development of quality partnerships and manage sub-contractor and partner contracts, reflecting a risk of increased in severity following recent experience in the Department of Development Enterprise and Innovation where it had become evident subcontracts were not being effectively managed, together with recognition of the importance of managing subcontracts for apprenticeship provision this year.

The report was noted.

3.2.2d Audit Committee Annual Report 2014/15

The Audit Committee Annual Audit Report 2014/15 was presented summarising the activity of the Committee during the year and advising the Board on the adequacy of the operation of the internal control systems in the College.

Reviewing the report there was consideration of those items presented at the meeting relating to the 2014/15 year-end, endorsing the view that they represented a fair assessment of the state of the College's financial and internal control systems and the extent to which they could be relied upon at the time of audit.

On the recommendation of the Audit Committee, it was **RESOLVED** to:

- **APPROVE** the Audit Committee Annual Audit Report 2014/15.

3.2.3 Summary of & recommendations from the Resources Committee, 02/12/15

An overview of the business of the meetings was presented noting those items appearing elsewhere on the agenda for information and reviewing the recommendations regarding the main items of business:

3.2.3a Draft Financial Statements & Audit Management Report for the year-ended 31 July 2015

See Minute 3.2.2b

3.2.3b Fees & Refunds Policies 2016/17

The Fees & Refunds Policies for 2016/17 were presented.

Members were advised that both policies had been reviewed and that no changes were proposed.

On the recommendation of the Resources Committee, it was **RESOLVED** to:

- **APPROVE** the Policies for 2016/17.

3.2.3c Management Accounts (for October 2015)

The Management Accounts for the year to date October 2015 were presented.

Members were advised that income and expenditure account for year to date showed a surplus of £1,068k, but that whilst representing a £51k improvement on the year to date reforecast budget, going forward delivery would become increasingly difficult. The key variances were summarised noting in particular:

- Apprenticeship income and following up on previously reported plans for the sub-contracting of much of the activity for the current year, to mitigate concerns of internal capacity and quality, the most recent proposals being presented for review and approval elsewhere on the agenda (Minute 3.3.3e refers)
- The better than forecast year to date pay expenditure and its significance with the need to achieve an overall pay cost of no more than 62% of income in-line with the College's objective for the year. Acknowledging that any deterioration in outlook for income would require a corresponding reduction in pay costs it was confirmed in response to questioning that further action was planned and would be reported to members in the spring term.
- The cash forecast position noting that it did not reflect any receipts from the anticipated sale of Austen Building or any expenditures relating to the Health & Social Care Building advising members that these will be included in-line with further developments.
- The detail within the risk and opportunities, noting that although an invitation had been received for the submission of an ERDF bid, further investigation was required as the

deadline for submission was so constrained and that further opportunities for ESF funding and projects would be reviewed once details were available.

The report was noted.

3.2.3d Asset Disposal Update

An update was presented updating members on progress with the College's plans for land assets disposal, reporting that it was currently anticipated that both sides would be in a position to exchange contracts imminently.

The update was noted.

3.2.3e Subcontractor Update Report

Introduced to members as a later paper following presentation to the Resources Committee after the dispatch of the Corporation papers, a report was received in-line with the new SFA funding rules and advising members of revised sub-contracting proposals. Reviewing the rationale for the changes to those originally approved at the July 2015 Corporation meeting members were advised that it transpired subsequently that the provision requested by the College was not deliverable, necessitating a revisiting of the arrangements.

In the context of the benefits reported previously of working with carefully selected sub-contractors, to increase learner choice and to provide greater flexibility, particularly in Traineeships, Apprenticeships and 24+ Loans, members were advised of the sub-contractor arrangements now presented for consideration. Confirming that each had either completed or were in the process of undergoing deep due diligence the arrangements proposed were summarised with:

- Care First Training Limited at a total contract value of £71,227
- EM Skills Ltd at a total contract value of £74,700
- NXG Group C.I.C a total contract value of £36,232
- Proactive Training and Skills Services a total contract value of £261,026

Confirmation was welcomed that the proposals had been the subject of review by the Resources Committee and were presented for approval on its recommendation.

Acknowledging the late introduction of the papers and mindful both of the need for the matter to be concluded without delay and for members to review the proposals in greater detail, it was **AGREED** that:

- The Clerk would contact members by email outside of the meeting and for the matter to be the subject of formal approval via written resolution.

3.2.4 Summary of & recommendations from the Property Committee Meeting, 09/12/15

An overview of the business of the meetings was presented and the substantive items for consideration presented:

3.2.4a Local Enterprise Partnerships (LEP) Further Education Capital Investment Fund – Health & Social Care Building

A report was presented updating members on progress with the LEP Further Education Capital Investment Fund for a new Health & Social Care Building.

It was reported that:

- After the LEP put the approved grant ‘on hold’ pending receipt from the SFA of the College’s financial status, confirmation had now been received for the project to proceed into grant funding.
- The College was working on completing the Grant Acceptance documentation although members were advised that final acceptance required exchange of contracts on Austen Building in order for the College to provide the necessary match funding and cash flow since, unlike the SFA, the LEP paid grants in arrears.
- There had been discussions involving the relevant parties regarding the sale of the Austen Building to expedite the conclusion of the disposal (Minute 3.2.3d refers)
- In parallel, there had been meetings with TGG and Harrow Council Planners regarding the joint Master Plan and planning issues that would need to be overcome. It was acknowledged that here remained very significant issues to be resolved but it was noted that progress was being made and that all parties remained cautiously optimistic for the delivery of the project as planned.
- The project team had been appointed and an initial meeting had been held with preparation of a Stage 1 Report, which included a partial update to the HW Master Plan.

After discussion, the report was noted.

3.2.4b Estate Master Plan

A report was presented updating members on progress with the Estate Master Plan.

Members were advised that following the ‘light’ master plan for both campuses originally produced in 2013, which identified estates needs at that time and formed the basis for the grant application to the SFA for the Enterprise Centre, the need to update the documents had become necessary to reflect the latest status of quality of the estate and needs of the learners and to support future grant applications.

In that context it was noted that:

- Initial workshop meetings had been held, reviewing the current state of both campuses and identifying several areas of weakness on both estates, which could be developed as grant applications for future rounds of LEP funding. It was noted that identifying further estate development need at Harrow Weald would also be essential evidence to support the case for the securing of funds from the sale of the car park for redevelopment.
- In respect of the next steps members were advised that it was proposed to commission IBI Group to facilitate further workshops to develop ideas; noting that governor involvement had been suggested and that dates in the spring term were currently under discussion.

The report was noted.

3.2.5 Summary of & recommendations from the Learner Voice Committee Meeting, 09/12/15

Focused on the learner experience of induction and the quality of teaching and learning, an overview of the business of the meeting was received summarising the main reports presented and reviewed with the student governors and student representatives in attendance:

- From Departments summarising feedback from the College autumn term learner voice feedback sessions undertaken in curriculum areas
- Discussing the findings of the national First Impressions Survey, which highlighted positive scores in a number of key questions; but with Level 3 students continuing to be less satisfied than other levels, although not as much so for the majority of questions as in previous years; and Black African/Caribbean/Other students noted to be generally less satisfied than other ethnic groups, although the differential was reportedly not so great.

The report was noted.

3.3 Annual Health & Safety Report

The Annual Health & Safety Report was received and noted.

3.4 Minutes of the Health & Safety and Equality & Diversity Committees

The Minutes of the Health & Safety and Equality & Diversity Committees were received and noted.

3.5 Clerk's Updates

Reports from the Clerk to the Corporation were received:

3.5.1 Governance Arrangements & Year-to-date Performance: Autumn Term Update

A report was presented summarising progress in the implementation of the objectives in the Governance Development Plan and outlining development activities and opportunities available.

Reviewing the report there was particular note of the details provided of the on-line Prevent training available and which members were invited to complete as a priority (Minute 1 refers)

The report was noted.

3.2b National Governance Arrangements

A report was presented updating members on the most recent national governance developments, publications and development activities.

Giving an overview of the latest reports from the FE Commissioner and the most recent Ofsted reports, there was reflection on the findings from the most recent intervention visits and Ofsted inspections, noting in particular the observations made of the effectiveness of the governance of the respective organisations.

The report was noted.

4. PRINCIPAL'S REPORT

4.1 Principal's Report & College Development Plan

The Principal's Report was received.

Reviewing the report there was particular note of:

- 4.1.1 The outcome of the Comprehensive Spending Review, advising members that whilst it appeared to be less harsh for the FE Sector than originally anticipated, further detail of the precise nature of the cuts and funding available was awaited before any likely impact could be fully assessed.
- 4.1.2 The funding update and funding opportunities advising members that the additional 16-18 delivery that had historically occurred at this point had not materialized and confirming that the impact of any short-fall would be modelled for next year and confirmation the action to be taken will be reported to the Board in March 2016. It was noted however that in contrast the College continued to increase its 16-24 high need learner numbers advising members that the local authority had put forward a request to the EFA to increase numbers for the College for next year, representing a positive step. In respect of other funding, members were advised of ESF opportunities just published although the constrained timescales for response were noted.
- 4.1.3 Progress with international activities confirming the College's retention of its Highly Trusted Status but noting that progress remained slow.

Advising members that the Development Plan was still being updated, it confirmed that it would be presented at the Corporation's Annual Conference in January 2016

Following discussion, the report was noted.

5. OTHER BUSINESS, MEETING EVALUATION & DATE OF NEXT MEETING

5.1 Any Other Business

There was none.

5.2 Date of Next Meeting

Corporation Conference, Friday 29 January 2016

Corporation Meeting, Wednesday 23 March 2016

5.3 Meeting Evaluation

Members completed the meeting evaluation forms and the meeting closed.