

# MINUTES OF A MEETING OF THE BOARD OF LEICESTER COLLEGE CORPORATION



**HELD ON 4 JULY 2018**

Present:	Jonathan Kerry (Chair) John Allen John Burton Danielle Gillett Laura Hadland Verity Hancock Brigitte Heller	Andrew Hind Chan Kataria Zubair Limbada Mandeep Singh Mohammed Tokaria Tom Wilson Claire Willis
In Attendance:	Louise Hazel Shabir Ismail Tracey Kinsley  Kully Sandhu Tina Thorpe Rod Wood	Director of Governance and Policy Deputy Principal Vice Principal Employer Engagement, Commercial Vice Principal Adult and HE Vice Principal 14-19 Director of HR

## **1 DECLARATION OF INTERESTS**

- 1.1 Verity Hancock, Louise, Hazel and Shabir Ismail declared an interest in item 4. Jonathan Kerry declared an interest in item 20.

## **2 APOLOGIES FOR ABSENCE**

- 2.1 Apologies for absence were received from Caroline Tote.

## **3 MINUTES OF PREVIOUS MEETINGS AND MATTERS ARISING**

- 3.1 **The minutes of the meeting of 28 March 2018 were received and agreed as an accurate record.**
- 3.2 **The notes of the Corporation away day on 8-9 June 2018 were received and agreed as an accurate record.**
- 3.3 Under matters arising the Director of HR presented a paper which informed governors of the planned staffing reductions. In total 30 FTEs (35 heads) would be redundant; of these 13 were voluntary redundancies. Savings from redundancies totalled £1.8 million. Affected staff would leave the College on 31 July 2018. Two appeals against redundancy would be heard.
- 3.4 The Director of HR also presented an equality impact assessment for the new

pay progression structure. This showed that there would be no negative impacts on any groups; impacts would be positive for all protected groups.

**3.5 Governors noted the staffing efficiencies and the equality impact assessment.**

*All staff and students left the meeting.*

**4 SENIOR POSTHOLDERS' SALARY FRAMEWORK**

4.1 The Director of HR presented a paper which set out the salary framework for senior postholders which had previously been discussed by F&GP. The following points were highlighted:

- 4.1.1 The salary framework for senior postholders was reviewed annually.
- 4.1.2 It was proposed that the current framework was still appropriate and should continue with no changes.

**4.2 Governors accepted the recommendation of F&GP and approved the senior postholders' salary framework.**

*All staff and students rejoined the meeting.*

**5 LEARNER SURVEY**

5.1 The Director of Quality Improvement presented a summary of the learner survey for 2017/18; this had previously been considered by the CSQI and Student Liaison Committees. The following points were highlighted:

- 5.1.1 The survey had been conducted between 8-30 January 2018 and involved responses from 4,805 students, a response rate of 67%.
- 5.1.2 The overall satisfaction score was 91%, a 2% increase on 2017. Five curriculum areas were above the overall score; four curriculum areas were below the overall score.
- 5.1.3 Sections which scored particularly highly were associated with teaching, learning and assessment and included overall experience (95%, equality, diversity and inclusion (93%) my views (93%) and my assessments (93%).
- 5.1.4 Sections scoring less well and which would be areas for improvement included my course, safeguarding and general cross-College services.

5.2 Governors **asked** what action would be taken. Follow up discussions had taken place and identified that there were some issues in how well students understood the questions and in the administration of the survey. More work would be needed to improve use of ProPortal and Moodle and to remind students about safeguarding and prevent. Childcare, Health, Social Care and Sciences would be a particular focus.

**5.3 Governors noted the outcomes of the learner survey.**

## **6 COMPLAINTS REPORT 2017/18**

- 6.1 The Director of Quality Improvement presented a summary of complaints received to May 2018. The following points were highlighted:
- 6.1.1 There had been a 12% increase in the number of complaints to date compared to the previous year. Complaints were predominantly related to curriculum areas, in the main came from students and were about staff. In Engineering and Sports and Service Enterprises, which had seen increases, there were well known staffing issues.
  - 6.1.2 For complaints about service areas, these were mainly about issues which were difficult to resolve such as car parking and facilities.
  - 6.1.3 Praise comments had been received for Re-Engagement and Student Services
  - 6.1.4 It had been decided, following previous discussion at Corporation to increase the response timescale from 10 to 15 working days.
  - 6.1.5 The revised policy and procedure also involved taking responses in the Customer service centre to avoid complainants being passed around.
- 6.2 Governors **asked** how issues of rudeness by staff were being dealt with. All complaints were investigated by the manager and often by the Vice Principal. Trends were monitored and any themes including recurring issues with members of staff would be followed up including through the disciplinary process where necessary.
- 6.3 **Governors noted the Complaints report including the increase in complaints in some areas, the context of overall small numbers and the intention to increase the response period set out in the revised Complaints Policy.**

## **7 FINANCE REPORT (PERIOD 10) AND SUMMER REFORECAST**

- 7.1 The Deputy Principal presented the Period 10 Finance Report and Summer Reforecast which had previously been discussed by F&GP. The following points were highlighted:
- 7.1.1 The key areas of variance, AEB and Apprenticeships, remained the same as the previous period. The College was on track to meet its 16-18 funding target.
  - 7.1.2 The year to date result was an operating deficit of £1,372k after restructuring costs compared to a budget deficit of £1,046k. The AEB was slightly behind, particularly for ESOL and partners, but achievement funding needed to be factored in and the curriculum areas still recruiting were expecting to meet targets
  - 7.1.3 Apprenticeships starts were behind target. Legacy Apprenticeship income was around the target but levy income was still behind the spring reforecast position and so had been reduced by £250k in the summer reforecast. The difficulties experienced by employers in managing the new system remained a factor.
  - 7.1.4 Efficiencies of £1.8m had been identified in year; associated

restructuring costs of £750k had been included in the summer reforecast.

7.1.5 Non-pay savings of £136k had also been included.

7.1.6 The savings against the pay budget included vacancies and the first phase of the APCO restructuring. The College would need to control the part-time pay budget tightly in the final months of the year.

7.1.7 The overall position would be a deficit of £1.9 million after restructuring costs.

7.1.8 Bank covenants would be met but the covenant of operating surplus/total debt service costs was under pressure. The financial health would be weak satisfactory.

7.2 Governors **asked** a number of questions including:

7.2.1 **What it would take to move the College into inadequate financial health.** The position was very sensitive and movement of around £100k could affect financial health.

7.2.2 **When the College would be able to reduce restructuring costs.** The College still needed to make efficiencies and associated costs were included in the budget. For the bank's purposes though these would be excluded. When the College reached a breakeven position the need for efficiencies and restructuring costs would reduce.

7.3 Governors **approved** the Finance Report for Period 10 and Summer Reforecast.

## **8 PROGRESS REPORT ON BUSINESS AND IMPROVEMENT PLAN 2017/18**

8.1 The Principal presented a progress report on the Business and Improvement Plan. The following points were highlighted:

8.1.1 Areas of good progress were highlighted in the paper. Much had previously been considered and reported through committees in particular F&GP and CSQI.

8.1.2 Progress with KPIs was highlighted. Progression to HE was slightly lower than planned but remained better than other institutions. Levels of investment were not in line with plans although significant investment had taken place over recent years. The need for investment in estates and IT was being kept under review.

8.2 Governors **asked** whether the RAG rating related to risk register. It was explained that in the annual business and improvement plan the rating cross referred to the Risk Strategy. For the specific KPIs in the paper, the rating related to the achievement of the KPI.

8.3 Governors **noted** the report.

## **9 CURRICULUM DELIVERY PLAN 2018/19**

9.1 The Principal presented the Curriculum Delivery Plan for 2018/19 which had

also been considered by the CSQI Committee. The following points were highlighted.

- 9.1.1 The paper described the College's offer, delivery volumes and associated funding. Key themes and contextual issues were highlighted in the plan.
- 9.1.2 The College had moved away from subcontracting but would bring it back strategically to help widen participation where appropriate.
- 9.1.3 The plan highlighted areas of growth and contraction; more would be identified over the year and this would be used to inform the next set of efficiencies.
- 9.1.4 The Curriculum Plan was aligned to the Financial Plan. It would be necessary to review and increase delivery in year and amend the plan in light of enrolment.
- 9.1.5 A successful experience day had seen 700 school pupils attend College. The conversion rate from this was around 80%; from open days it was around 74%.

9.2 The Chair of CSQI **confirmed** that the Committee had considered the plan and commented that it was a helpful document which tied delivery to funding.

9.3 **Governors approved the Curriculum Delivery Plan for 2018/19.**

## **10 DRAFT BUDGET 2018/19 AND THREE-YEAR FINANCIAL PLAN**

10.1 The Deputy Principal presented the draft 2018/19 Budget and three-year Financial Plan, previously discussed by F&GP. The following points were highlighted:

- 10.1.1 As previously discussed, including at the away day, the plan included a deficit budget in 2018/19 moving to a breakeven position in 2019/20 onwards.
- 10.1.2 Attention was drawn to late policy changes which included the potential for a rebasing of budgets in year where previous years' allocations had not been achieved and a removal of income associated with students from areas with devolved budgets. Further detail on this would follow later in the year. Information was received too late to inform planning. The College would not seek to rebase the budget on the basis that the new policy change around low-income students and the creation of an additional adult offer should enable it to achieve its adult allocation. However it remained a potential risk.
- 10.1.3 The College's historical performance showed a weakening trend but the three year plan was designed to move the College to a breakeven position.
- 10.1.4 It was noted that the College would not meet two of the financial objectives for 2018/19.
- 10.1.5 Key assumptions were highlighted and included an increase in apprenticeship income from £3.8 million in 2017/18 to £5.2 million in 2018/19. This was based on what were felt to be realistic numbers. Previously underperforming delivery had been removed; the duration

of programmes had been reduced to enable funding to be earned more quickly; the number of account managers had been doubled to focus on levy income; blended learning packages had been introduced and it was felt that there was a momentum building around levy income. Income would be monitored very closely with fortnightly meetings between the Deputy Principal and Vice Principal Apprenticeships.

10.1.6 The budget assumed £1.45 million of efficiencies in 2019/20 and £700k in 2020/21. Achievement of these efficiencies would be very difficult and could affect services.

10.2 The Chair of F&GP also **reported** that the Committee had discussed the risks in detail, sensitivities and other possible options. The Committee felt the budget was very tight.

10.3 Governors asked a number of **questions** including:

10.3.1 **Whether the £1million of vacancies assumed was normal.** This was usually the figure achieved although as staffing reduced, this would become harder to achieve.

10.3.2 **Whether the pay award was included.** A 1% award had been included in each year plus the new pay progression costs. In total, the costs of these were similar to the level of efficiencies needed. However, the 1% pay award might not be enough; the AoC nationally was asking for a substantial contribution from government to support higher pay awards in the sector.

10.3.3 **How deliverable and sustainable would the £2.1 million of efficiencies be?** The College had a robust curriculum planning process which looked at what resources were needed to deliver the curriculum plan. However it was unlikely that efficiencies would just be achieved from curriculum areas and so the College would need to look at support services; this would be very difficult and could impact on services.

10.3.4 **Protecting cash was critical; what potential would there be for scaling back expenditure?** The College had invested significantly although a lot of this had come from external grants. It had already reduced capital investment to £600k and this was resulting in having to spend more on reactive rather than planned maintenance or projects.

10.3.5 **Whether the KPIs would be included in the Matrix and reported to governors.** They would.

10.4 **Governors approved the financial plan for submission to the ESFA, the 2018/19 budgeted income and Expenditure Account, Balance Sheet and Cash Flow contained within the plan, the Capital Expenditure Budget for 2018/19, and noted the 2019/20 – 2020/21 Financial Plan and its assumptions.**

## 11 **PARTNERSHIPS REPORT**

11.1 The Deputy Principal presented the partnerships report. The following points

were highlighted:

- 11.1.1 The College's strategy was to extend its offer locally with subjects or types of provision which it was unable to deliver or to widen participation. With devolution of adult funding budgets, the principle of local subcontracting was even more important
- 11.1.2 The proposed partners with which the College intended to subcontract were outlined. Total funding value of subcontracting was £1.35 million with contract values of £1.08 million.
- 11.1.3 All subcontracts were subject to due diligence.

**11.2 Governors approved the partner contracts subject to successful completion of due diligence and approved the indicative allocations for 2018/19.**

## **12 STRATEGIC PLAN 2018-2021**

12.1 The Principal presented the Strategic Plan for 2018-2021 for approval. The following points were highlighted:

- 12.1.1 The Corporation had been involved throughout the development of the plan. There was no appetite to change the Mission and Values of the College.
- 12.1.2 It was recognised that the College would need to keep its offer under review. If there were any areas where quality or sustainability was an issue it might be necessary to cease the offer but the Strategic Plan maintained the principle of a broad offer.
- 12.1.3 The Plan included statements about the financial challenges facing the College and the need to work with others.

**12.2 Governors approved the Strategic Plan 2018-2021 and noted the Operating Statement for 2018/19.**

## **13 RISK MANAGEMENT STRATEGY 2018/19**

13.1 The Chair of the Audit Committee presented the Risk Management Strategy for 2018/19. This had been discussed by the Audit Committee. The following points were highlighted:

- 13.1.1 The strategy had been reviewed and updated to reflect new areas of risk.
- 13.1.2 The Committee was satisfied that it was a comprehensive assessment which accurately captured the risks.

**13.2 Governors approved the Risk Management Strategy for 2018/19.**

## **14 CORPORATION WORKPLAN**

14.1 The Director of Governance and Policy presented the draft Corporation workplan for 2018/19. It was explained this would be added to throughout the

year and additional meetings might be necessary.

14.2 **Governors approved the Corporation Workplan.**

**15 FEEDBACK FROM THE AWAY DAY**

15.1 **Governors received and noted the feedback.**

**16 FE COMMISSIONER'S LETTER**

16.1 **Governors received and noted the FE Commissioner's Letter.**

**17 GOVERNOR APPOINTMENTS**

17.1 **Governors received and noted the paper.**

**18 GOVERNANCE IMPROVEMENT ACTION PLAN**

18.1 **Governors received and noted the paper**

**19 ITEM FROM SEARCH AND GOVERNANCE COMMITTEE: GOVERNOR VISIT RECORD**

19.1 **Governors received and noted the Governor visit record forms, previously considered by the Search and Governance Committee.**

**20 ITEM FROM SEARCH AND GOVERNANCE COMMITTEE: CHAIR'S PERFORMANCE REVIEW**

20.1 **Governors received and noted the outcome of the Chair's performance review, previously considered by the Search and Governance Committee.**

**21 MINUTES OF MEETINGS**

21.1 **Governors noted the following minutes of committee meetings:**

- Finance and General Purposes Committee (03/05/2017)
- Search and Governance (06/02/2018)
- Student Liaison Committee (28/02/2018)
- Finance and General Purposes Committee (08/03/2018)
- CSQI (14/03/2018)
- Audit Committee (21/03/2018)

**22 DATE OF NEXT MEETING**

- 31 October at 6.00pm
- 29 November (Special Meeting at 5.00pm followed by Christmas Dinner)
- 11 December at 6.00pm



- 4 April 2019 at 6.00pm
- 7/8 June 2019 Away Day
- 3 July 2019 at 6.00pm

### **23 ANY OTHER BUSINESS**

23.1 The Principal reported that she had been elected to the LLEP Board; she would replace Marion Plant as the FE representative.

23.2 The Principal also reported that following a formal recruitment process, Claire Willis had been appointed as the new Director of Quality Improvement on a permanent basis. Governors congratulated Claire.

23.3 The Chair explained that this was Mohammed Tokaria's last meeting. Governors expressed their thanks to him for his contribution as a student governor and as president of the NUS and wished him well for the future.