

EASTLEIGH COLLEGE BOARD

18 SEPTEMBER 2019

**MINUTES OF MEETING HELD ON WEDNESDAY 3 JULY 2019, 1700 HRS
IN ROOM E007**

Present:

Jon Sendell (Chair)

John Course

Shirley Nellthorpe

Dr Jan Edrich (Chief Executive & Principal)

Councillor Judith Grajewski

Steve Johnson

Jeremy Musselwhite

Gemma Baker

Bernie Topham (from item 3)

In Attendance:

Paul Cox, Vice Principal, Curriculum and Quality

Ryan Sarll, Interim Finance Controller

Dr Chris Davis OBE, Clerk to the Board

(Confidential item)

B.28.19 GOVERNORS' MEETING TIME WITHOUT SMT

(See Confidential addendum).

(End of confidential item)

(Remaining members of the SMT re-joined the meeting)

B.29.19 MEMBERSHIP AND BOARD MATTERS

i Apologies

Apologies were received from Angela Cross-Durrant, Verona Hall, Natalie Wigman, Mairead Taylor and Matt Phelps.

ii Declarations of Interests

Councillor Grajewski declared a potential conflict of interest with her new appointment as Hampshire County Council's Executive Member for Public Health. There were no other declarations of interest made by those present, financial or otherwise.

iii Minutes of the Meeting held on 1 May 2019

The actions from the previous meeting were reviewed and all the actions had been completed.

The minutes of the meeting held on 1 May 2019 were agreed and signed as a true and accurate record.

iv Matters Arising

Mr Sendell updated the Board on the final meeting of the area review.

There were no matters arising from the previous meeting.

v 12-month appraisal of new Governor, Jeremy Musselwhite

Mr Sendell reported that Mr Musselwhite had successfully completed his first year as a Governor. He had indicated that he would be delighted to continue in the role for a further three years.

The Board approved a further three-year term of office for Mr Jeremy Musselwhite.

vi Appointment of Governors

Mr Sendell asked for the Board's approval for Mrs Bernie Topham to take up the position of Governor.

Mrs Topham was introduced by the Clerk to the Chair and the Board of Eastleigh College. She was welcomed and invited to take up position of Governor at Eastleigh College.

It was agreed that:

Mrs Bernie Topham should take up the position of Governor.

B.30.19 GOVERNORS' MONTHLY REPORT – MAY 2019

i Financial Aspects

Mr Sarll made Governors aware that the historic forecast deficit for the end of May was now standing at £850k, the main reasons for this being the Non-Levy income reduction of £1.3m and the lack of AEB growth opportunities for 2018/19. This deficit results in a 1.2% Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) but did not change the prediction of a Satisfactory Financial Health category.

Mr Sendell asked how close the College was to the threshold to fall into the inadequate category.

Post meeting:

Mr Sarll reported that the lower threshold for satisfactory is 120 points, therefore the College would need to drop a further 20 points to become inadequate.

He explained that the College could not go any lower on the EBITDA score and the borrowing score will not change. The current ratio would require an extreme negative swing (i.e. more than £1.2m) in either a reduction in current assets or an increase to current liabilities in order for us to drop 20 points on that measure, which is very unlikely.

On that basis he was comfortable that the College will remain 'satisfactory', however it will continue to be closely monitored.

Mr Sarll drew Governors' attention to the closing cash position, which stood at £2.9m, the highest position since October 2018 and demonstrating a slight recovery from previous months.

Mr Course asked about the Non Levy appeal to the ESFA in March 2019 requesting an additional £700k.

Mr Sarll reported that the appeal had been successful and that a further appeal would be issued in respect of the Apprenticeship Non Levy allocation being significantly lower than what is needed to meet demand.

Dr Edrich reported that in terms of operating costs, 60 staff had been put under the risk of redundancy. The consultation process has begun and it is estimated that between 14 and 15 members of staff will be made redundant. Those staff costs amount to approximately £900k reduction to allow for a budget re-balance next year.

Mr Sarll concluded by updating the Board on the negotiations over the Lloyds Bank loans.

ii Safeguarding Update

Mr Cox drew Governors' attention to the Safeguarding monthly update in the report and clarified the new incidents reported. The highest areas of concern for the College he said are emotional abuse and mental health. The College is robust in its support of both staff and students in this area, working closely with external services and addressing the problems head-on in tutorials.

Councillor Grajewski asked for more information regarding the support provided holistically to friends and families of those students effected.

Mr Cox explained that this is very much part of the wider support provided by the College; this was corroborated by the Miss Nellthorpe, whose Link Governor responsibility involves the area of Safeguarding.

iii Matters arising

Mr Johnson asked for further clarification over the criminal incident, which involved two apprentices attending a residential facility being assaulted in Eastleigh.

Governors had no further matters arising from the Governors' Monthly Report, May 2019.

Governors noted the Financial aspects, Safeguarding update and matters arising from the Governors' Monthly Report, May 2019.

B.31.19 TO RECEIVE

i Audit Committee minutes, 22 May 2019

Miss Nellthorpe said that it had been a productive meeting and much focus was placed on the amended Internal Audit plan post the unsuccessful merger. It has been agreed that that there would be an internal audit of the Learner Number Systems in July 2019 looking at and testing the myriad of new processes. She warned Governors that the normal assurances of substantial or adequate might not be forthcoming but the report might illuminate issues, which will enable the College to enhance processes.

She summarised the Annual Internal Audit Plan 2019/20 and the Strategic Internal Audit Plan 2019-2022.

She provided an overview of the key points from for the External Audit Plan Financial year 2018/19.

The Committee reviewed Risk Management and she made Governors aware that a more robust security system around the College access points would be implemented during the summer break.

Post meeting:

Work is due to begin in the Autumn 2019 term.

She also reported that she had recently taken part in a very useful RSM training day on Board Assurance and Risk register analysis; she said she would be sharing the findings of her experience with the SMT and the tool kit which RSM have produced.

Mr Sendell asked if the service supplied by both audit internal and external providers still provided value for money.

Governors asked that the Committee review this every 12 months and reported back to the Board on an annual basis.

Governors' received the minutes of the Audit Committee meeting 22 May 2019.

ii Standards Committee minutes, 5 June 2019

Mr Course reported that the Committee had reviewed the Minimum Standards courses Term 2 reports on both classroom learning and apprenticeships, which he said are reported to the Standards Committee at each meeting. He wished Governors to note the very positive progress in terms of only 1% of starts have been identified as not reaching the minimum standards both these areas.

With regards to English and maths this still remained a challenge for the College, but he felt the hard work and determination to improve this area by all staff was beginning to pay dividends and this was reflected in retention and attendance.

Mr Cox reported that Functional Skills and Level 2 are both above the national average and the GCSE exam attendance is around 98% in English and maths. He further commented on the College's approach to exams this year in trying to normalise and provide a mood of calm for all students.

The Committee also received:

- Teaching and Learning Termly report
- Partner Performance report
- A briefing on Ofsted's new Education Inspection Framework 2019 (Miss Nellthopre said she had a presentation on the framework and offered to share this with the SMT)
- Link Governors Spring reports 2019

The Committee approved:

- Teaching, Learning and Assessment Policy

Mr Course made Governors aware that the Committee had decided that the need for a College Charter no longer existed as it has been replaced by other policies and procedures, which are all within the public domain and continued to highlight the matters described within the Charter.

Governors' received the minutes of the Standards Committee meeting, 5 June 2019.

iii Finance and General Purposes Committee minutes, 19 June 2019

Mr Sendell provided a comprehensive summary of the minutes of the Committee's last meeting.

He explained that the meeting had reviewed the following items:

- A review of the Revenue & Capital Budget 2019/20 and financial plan
- Local Government Pension Scheme (LGPS) Pension Options

Mr Sendell made Governors' aware that the Committee had reviewed the situation regarding the proposed consultation over whether a subsidiary company should be registered to enable the College to offer a NEST pension scheme which requires considerably less employer and employee contribution.

It was agreed that a decision would be put on hold until after the outcome of the consultation is further clarified, the matter would be further discussed at the December Committee meeting.

Governors' received the minutes of the Finance & General Purposes Committee meeting, 19 June 2019.

(Confidential item)

iv Remuneration Committee 5 June 2019

(See Confidential addendum).

(End of confidential item)

v Proposed sub-contracting arrangements 2019/20

Mr Sarll reported that the proposed Sub-contracting values 2019/20 reflected the 19+ and 16-18 contracts for April 2019 to March 2020; the Adult Education Budget (AEB)-ESFA (including the Greater London Authority) contracts for the whole academic year.

Governors approved the Sub-contracting arrangements 2019/20.

(Confidential items)

B.32.18 TO REVIEW

- i Strategic Plan 2019-2024 and Business Plan 2019-2021**
(See Confidential addendum).

B.33.19 TO APPROVE

- i Revenue and Capital Budget 2019/20 and Financial Plan**
(See Confidential addendum)

- ii Annual Pay Review**
(See Confidential addendum).

(End of Confidential items)

- iii Risks related to Governance; (Risk 7.10, Further Education Insolvency Process, January 2019)**

Miss Nellthorpe said that this had been an action on the Audit Committee from the previous Board meeting. The Clerk had re-worded the Risk Register entry and produced a Risk Reduction Plan as a consequence of the Net Risk score for approval by the Board.

Governors approved Risk 7.10, Further Education Insolvency Process, January 2019 and the entry into the Risk Reduction Plan.

B.34.19 Date of the next meeting:

- i Wednesday 18 September 2019, 1700 hrs**
Strategic Plan 2019-2024 and Business Plan 2019-2021 (to approve)
Governors' Monthly Report – financial, safeguarding and matters arising
Health and Safety Annual Report
Review of Board's operation, structure and KPIs
Annual report on Learner Voice
Risks Related to Governance, (6 monthly review)
New College Catering contract

There being no further business, the meeting closed at 1930 hrs.