

Corporation Board Agenda
Thursday 4th July 2019 at 8.00 am
Meeting Room, University Centre Farnborough

Item	Report	Appendix	Lead	For
Procedural Matters				
4.1	Opening of Meeting and Apologies for Absence	Verbal	Chair	Information
4.2	Declarations of direct or indirect interests in any of the agenda items	4.2	Chair	Information
4.3	Board Appointments			
	a. Professor Earwicker	4.3a	Clerk	Decision
	b. Dr Oduneye	4.3b	Chair	Decision
4.4	Minutes of the last Corporation Board meeting held 4 th April 2019			
	a. Part 1 – for general public	4.4a	Chair	Decision
	b. Part 2 – confidential Section A	4.4b	Chair	Decision
4.5	Matters arising from the minutes	4.5	Chair	Information
Standing Items				
4.6	Principal's Report	4.6	VB	Discussion
4.7	Student Governors' Report	4.7	MD/LP	Discussion
Strategic Items				
4.8	HE Student Recruitment Strategy	4.8	VB	Discussion
4.9	Capital Projects To include presentation from Stuart Markham of Fusion	4.9	VB/GC	Approval
Presentation at 9.15am				
Mood Stones – FELS and Art students				
<i>9.30am – Refreshment break</i>				
Governor Training				
4.10	Presentation - Financial issues including the new insolvency regime – 60 minutes Julian Gravatt – AoC Deputy Chief Executive			
Recommendations from Curriculum & Standards Committee				
4.11	a. English and Maths	4.11a	JH	Information
	b. Equality, Diversity & Inclusion Policy	4.11b		Approval
	c. Termly Safeguarding Report	4.11c		Information
Recommendations from Search Committee				
4.12	a. Corporation Board Meetings Schedule 2019/20	4.12a	RE	Approval

Recommendations from Audit Committee

4.13	a. Internal Audit Services Reports –May 2019	4.13a	JF	Approval
	b. External Auditors 2018/19 Accounts Audit Plan	4.13b		Approval
	c. Risk Management Policy	4.13c		Approval
	d. Risk Register – update	4.13d		Information
	e. Appointment of Auditors	4.13e		Approval

Recommendations from Finance & General Purposes Committee

4.14	a. Termly Financial Summary	4.14a	BE	Information
	b. Budget 2019/2020 and Forecast 2020/21	4.14b		Approval
	c. Annual Fees Policy	4.14c		Approval

Items to be taken as read – draft Committee Minutes

4.15	<ul style="list-style-type: none">• C&S minutes 13th June 2019• Search minutes 13th June 2019• Audit minutes 18th June 2019• F&GP minutes 20th June 2019• Remuneration minutes 20th June 2019	4.15	Chair	Information
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Confidential Committee minutes with restricted circulation are tabled separately below

Other business

4.16	Any other business	Verbal	Chair	
4.17	Date of next meeting	Verbal	Chair	

STAFF & STUDENT GOVERNORS, SMT TO LEAVE THE MEETING

Confidential minutes for approval with restricted circulation

4.18	Confidential Part 2 minutes of the Corporation Board meeting held 4 th April 2019	4.18	Chair	Decision
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Items to be taken as read – draft confidential Committee Minutes

4.19	<ul style="list-style-type: none">• Audit Part 2 Section C minutes 18th June 2019• Remuneration Part 2 minutes 20th June 2019	4.19	Chair	Information
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Confidential item

4.20		Verbal	Principal	Information
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12pm – Buffet lunch served in room

Farnborough College of Technology

Corporation Board

Minutes of meeting held on Thursday 4th July 2019

Present:

Professor M Earwicker – Chair of Corporation
Mrs S Chapman – *from mid item 4.6*
Mr N Crippa - *until end item 4.13b*
Ms M Dibaj - *until end item 4.17*
Mrs R Etebar
Ms C Fargeot
Ms J Houzer – *from mid item 4.6*
Mr S Hunt - *until end item 4.17*
Mr H Malins – *until mid 4.20*
Ms W Megeney
Mr L Perry - *until end item 4.17*
Mr R Rendel
Mr A Smith - *until end item 4.10*
Professor J Yeomans
Ms V Barrett – Principal

In Attendance:

Mr J Gravatt – AoC Deputy Chief Executive
Mr J Grindell – Financial Consultant
Mr L Magee – Vice Principal, Curriculum & Safeguarding - *until end item 4.17*
Mr S Markham – Fusion Project Management - *for item 4.9 only*
Mrs C Gillam – Clerk to the Corporation – *Chair for item 4.3a*

Quorate: Yes

The meeting opened at 8.08am

4.1/18.19 Opening of meeting and apologies for absence

Apologies were received and accepted from Mrs Christie, Mr Edwards and Mr Francis. The Chair welcomed Mr Gravatt, Deputy Chief Executive of the AoC, to the meeting. Mr Gravatt would be delivering a Governor training session on financial issues including the new insolvency regime.

4.2/18.19 Declarations of direct or indirect interests in any of the agenda items

Mr Grindell as a Director of Fusion Project Management declared an interest in agenda item 4.9.

4.3a/18.19 Board Appointment – Professor Earwicker

Professor Earwicker left the meeting.

The Clerk took the Chair for this item. The Board considered and approved the recommendation of Search Committee to reappoint Professor Earwicker for a four year term of office as an External Governor.

The Board confirmed the reappointment of Professor Earwicker.

Professor Earwicker returned to the meeting and resumed as Chair.

4.3b/18.19 Board Appointment – Dr Oduneye

The Board considered and approved the recommendation of Search Committee to reappoint Dr Oduneye for a second two year term of office as an Associate Governor.

The Board confirmed the reappointment of Dr Oduneye.

4.4a&b/18.19 Minutes of the last Corporation Board

The Part 1 and confidential Section A Corporation Board minutes of the meeting of 4th April 2019 were accepted as true and accurate records and signed by the Chair.

4.5/18.19 Matters arising from the minutes

There were no matters arising.

4.6/18.19 Principal's Report

The Principal discussed the importance of T Levels which had the potential to raise the standard of vocational educational. The College was making good progress with its preparations for offering its first two T Levels in September 2020 including positive engagement with local employers. The Corporation Chair noted that the NHS trade association was offering training sessions on T Levels which were sold out nationally which was a positive sign that healthcare employers were taking the new qualification seriously. The Principal discussed other examples of the College's engagement with local business particularly with regards to apprenticeships, and its engagement with local schools. She also reported that the College had held its annual Family Fun Day in June and the event was a tremendous success with approximately 2,400 visitors which was double the size of the previous year. Whilst this was positive it did raise potential health and safety issues to consider and thus she was considering restricting the size of the event next year and possibly limiting access to Rushmoor residents.

Mrs Chapman joined the meeting.

The Principal drew attention to the academic staff utilisation data, the ESFA Financial Dashboard and the Annual Operating Statement which were included within her report. She then delivered a presentation summarising student performance across the College. The predicted achievement rate for A Levels and GCSEs, Access to HE, Business and Health & Social Care were all predicted to be up on last year's achievement rates. The predicted achievement rate for Floristry was predicted to be lower than last year's but it was noted that the numbers of students was very small. The Principal announced that she was considering promoting floristry as a 14-16 offer for under-represented social groups as a means of social engagement. Overall the College's predicted achievement rate was 88.2% which was pleasing and the Principal praised the work of the College's Programme Managers. Turning to English and Maths the Principal noted the wide range of actions the College had taken this year and that the College was hopeful that results would be above the national average in both subjects. The College had decided that the Aldershot site would have its own dedicated English and Maths teachers based there and a separate timetable. The Principal acknowledged that there was still much to do to address learners' fear of the subjects, particularly Maths, and to build their confidence. A Governor who had attended the recent FE Student Voice Conference reported that when she spoke to learners regarding their experiences, they reported that once they understood the importance of resitting English and Maths as necessary for continuing with their core programme they got on with the challenge.

Ms Houzer joined the meeting.

Governors noted that the forecast attendance rate for the College at 83% was below the target of 90%. The Principal explained that some areas especially HE had depressed the overall figure, students' mental health issues were also a factor and that 90% was a challenging target. 83% would be a good outcome within the sector. Governors enquired whether receiving detail regarding attendance rates by curriculum area might be helpful and the Principal observed that this was an operational issue which was monitored and discussed by SMT. The Chair of Corporation reflected that it was right to raise the issue with the executive but Governors should focus on what the risks were and how the executive were managing those risks.

The Board thanked the Principal for her report.

4.7/18.19 Student Governors' Report

The HE Student Governor began her report by praising the work of the College's marketing department as she had been struck by the extent of advertising, particularly on local radio, for the University Centre Farnborough. Many of her HE colleagues were pleased that the UCF brand was more widely known and that they could talk about Farnborough as a 'university'. She drew Governors' attention to the Media Production degree's accreditation from the prestigious International Moving Image Society which assured industry relevance in media production courses.

The HE Student Governor reflected upon the developments which had arisen over the year as a result of student feedback through her reports to the Board and her meetings with the Principal. In particular photography students were delighted with the news that the Principal has designated a specific budget to update their equipment. Mature students welcomed the news that the College was considering extending its late opening hours for the UCF to include a third evening as they particularly appreciated the opportunity to get together and study. The Principal noted that extending the opening hours was dependent upon achieving sufficient HE enrolments. Governors enquired whether HE students felt that they had enough dedicated HE space as this had been an issue previously raised. The Student Governor replied that perhaps there were not enough dedicated HE classrooms. The Principal noted that from September 2019 the UCF building would be primarily for HE students with access to the library for FE students.

The FE Student Governor commenced his report with a thank you to the Board, Principal and management team for the way he had been included in meetings, and for the response to the views of the student body that he conveyed. He reported on the issues raised at the recent Student Voice Conference, particularly those concerning a perception amongst students at the Aldershot College that they had a lesser status than Farnborough site students. They felt that the Aldershot site did not receive the same level of investment either to the building or the equipment. The Principal noted that she had discussed these matters with the FE Student Governor. The Aldershot building was only 14 years old and thus did not require the level of capital investment that the much older Farnborough site did. The Principal explained that whilst there was a perception that the IT equipment in Aldershot was older than that at Farnborough this was not true, but she would be looking to site a locker of laptops in Aldershot to increase IT provision. Given the manual nature of the courses at Aldershot it would be easier to keep laptops clean rather than PCs. Work was also being undertaken to provide more extracurricular activities at Aldershot.

The FE Student Governor also reflected on positive feedback from students including the increase in digital signage around the College, the implementation of the tap-in system for electronic registers and the pop up SnapComms communications software. Requests from the student body included improvements to the refectory offer, better vending machines and more CCTV coverage in the student car parks. The Principal noted that there was an increase in the CCTV budget for both the Aldershot and Farnborough sites. The HE Student Governor noted that whilst FE students appreciated the move to electronic communications many mature HE students preferred paper based communication and having all the information they required in hard copy at the start of a semester.

Governors asked if students felt that the College was engaging sufficiently with their concerns or if there was more that could be done. The Student Governor reported that student forums were held throughout the year with an annual conference and students reported that they felt the College did appropriately address the issues raised. One feature of the student conference was the 'you said, we did' presentation.

Both Student Governors were thanked for the excellent quality of their reports and their representation of the student body throughout the year, and received a letter of commendation and a small gift from the Board.

4.8/18.19 HE Recruitment Strategy

The Principal introduced the Strategy paper noting the detail provided by the College's new MIS Manager in breaking down the College's HE learner profile and profile of enrolments on non-prescribed programmes. Non-prescribed programmes generated approximately £0.5m income but were somewhat high risk given that there is an over-reliance on five programmes. Managers had therefore started to identify a wider and more robust offer. Opportunities to optimise growth overall were discussed. The Principal predicted that two year fast track degrees would become more popular, and top-up degrees as would industry led degrees. The introduction of T Levels might help HE move to a more industry led provision including meaningful work placements and the College was working hard to improve its links with industry. It was noted that when this paper was tabled at the Curriculum & Standards Committee meeting the Committee had a discussion regarding the profitability of two year degrees under the College's current pricing model. Whilst delivering more fast track degrees would be good for growth they were in effect heavily discounted and so the College would need to keep a close eye on their profitability.

The agenda item order was re-arranged as follows.

Presentation from FELS and Art Students – Mood Stones

The Board welcomed to the meeting for this item Nuala Moseley - Student Counsellor, Jane Habgood - Lecturer in Art & Design, and Mary Campbell - Lecturer in FELS, as well as a number of FELS and Art students. On display in the meeting room were a number of mood stones prepared by the FELS students and artwork created by the Art students. The Student Counsellor explained how useful the mood stones were in helping students express their feelings and the FELS students described how they had chosen the size and the colour of the stones and how they planned to sell them at a stall in College. The Art students explained the concepts behind their artwork and the inspirational messages they conveyed. Governors expressed their admiration for the project and how the concept of the mood stones could be adopted in other settings such as schools and the workplace.

Mr Markham joined the meeting.

4.9/18.19 Capital Projects

This item was recorded as a confidential minute.

The Board approved £1m for the initial phase of the Aerospace project.

Mr Markham left the meeting.

4.10/18.19 Governor Training - Presentation from Julian Gravatt – AoC Deputy Chief Executive

Mr Gravatt delivered a training session on college insolvency and finance issues. He discussed the new college insolvency regime and how its first application was currently underway at Hadlow College. He discussed the reasons for colleges getting into financial difficulty and Governors' responsibilities. He also discussed the challenging funding environment for colleges and praised FCoT for managing to generate an annual surplus and hold significant reserves in such a national context. Looking to the future the forthcoming months would bring a new Prime Minister, possible consideration of 16-18 funding as there was widespread agreement that 16-18 was underfunded, and consideration of the recommendations of the Augar Review. The AoC was working to promote the needs of FE in the next spending review.

Governors noted the number of external agencies involved in college accountability and the challenges in trying to steer the College whilst managing increasing levels of bureaucracy and outside involvement. Governors cited the Area Review process as one such example of a hugely bureaucratic and time consuming process which attempted to instruct the College in its future direction. Mr Gravatt agreed that as an independent organisation the Board had to focus on the College. It was appropriate to listen to external advice but apply independent judgement and take sensible business decisions to meet learner and community needs and ensure the long term financial solvency of the institution. Governors also noted that despite the thrust of the Area Reviews to create larger merged institutions it appeared as if smaller standalone colleges were more successful. Mr Gravatt replied that whilst there had been some high profile problems with merged institutions there was a danger of management overstretch in a smaller institution and risk of financial vulnerabilities. Ultimately it was for each Board to decide what structure was best for their students and their geographical area be it a smaller standalone institution or some form of collaboration.

The Board thanked Mr Gravatt for an informative presentation and discussion.

Mr Smith left the meeting.

Curriculum & Standards Committee papers

4.11a/18.19 English and Maths

Ms Houzer introduced the progress summary for GCSE English and Maths. She noted the tremendous amount of hard work by College staff to improve outcomes and was hopeful of positive results above the national average when GCSE results were issued in August. Continuing to resit learners who had failed to achieve GCSE Maths and/or English at school was a challenging brief but the College had implemented many strategies over the academic year and the predicted achievement rates showed real progress.

4.11b/18.19 Equality, Diversity and Inclusion Policy

Whilst approving the policy as recommended by the Curriculum & Standards Committee it was noted that in future it might be useful to include benchmarking data for Surrey and Berkshire as well as Hampshire as the College was close to county boundaries and took students from all three counties. Governors discussed how equality and diversity was taught in College and noted that whilst this should not be prescribed in the EDI Policy it was addressed in other policies such as the Teaching and Learning Policy. Governors noted that the policy's statement that the College 'aims to create a culture of inclusiveness' was very much evidenced in the mood stones student presentation earlier in the meeting. Governors also praised the inclusion of socio-economic background as a consideration despite it not being one of the protected characteristics of the Equality Act 2010. Finally Governors enquired how the policy was monitored and evaluated and the Principal noted that this was through the College's Equality and Diversity Committee whose minutes were received by the Curriculum & Standards Committee.

The Board approved the Equality, Diversity and Inclusion Policy.

4.11c/18.19 Termly Safeguarding Report

The Vice Principal, noting the earlier presentation which had touched upon the work of the counselling team, drew attention to the work that the College was doing to support learners' mental health. Counselling appointments had risen by 190% in comparison to the same period last year. The College was proud of its counselling provision but the prevailing social trend was a sharp increase in mental health issues. Governors noted that the College could not hope to provide a complete solution but could keep challenging itself to do more and suggested giving a similar weighting to the figures regarding mental health issues as to the financial KPIs. However, they recognised that some mental health concerns were at a lower level than others and could possibly be addressed by the provision of resilience training when students arrived

at College. Measuring students' mental health journey through College might also be a good metric to track. The Principal agreed that the discussion had raised some useful points about how the College could deal with mental health issues and she was keen for the College to be proactive and not just reactive. She agreed that she would revisit the topic with the Board at a later date.

Action: The Principal to revisit the College's mental health provision with the Board at a later date.

Search Committee papers

4.12a/18.19 Corporation Board Meeting Schedule 2019/20

Mrs Etebar presented the proposed schedule of meetings for the coming year. The Clerk noted that she would canvass members to ascertain the best date for the September Board Strategy & Training Day.

The Board approved the Meetings Schedule 2019/20.

Audit Committee papers

4.13a/18.19 Internal Audit Services Reports – May 2019

Mrs Chapman outlined the findings of the two internal audit reviews conducted in May. The audit of Risk Management & Governance was rated as substantial assurance with one low priority recommended action. The audit of Learner Numbers did not, as was custom, provide an assurance opinion but listed thirteen findings, two of which were categorised as high priority. Those high priority actions concerned documenting evidence and Mrs Chapman reported that the Audit Committee had discussed with the Principal and Mr Grindell the potential risks to the College's apprentice funding income and the mitigating management actions which were being taken. She also noted that the internal auditor had reported that such was the complexity and speed of change to apprentice funding regulations that there were widespread compliance issues across the sector.

The Board approved the Internal Audit Services Report.

4.13b/18.19 External Auditors 2018/19 Accounts Audit Plan

Mrs Chapman introduced the proposed plan noting that whilst there were no significant changes to the audit scope or approach, there would be an increased focus on the College's fixed assets and depreciation due to the College's investment in capital projects.

The Board approved the External Auditors 2018/19 Accounts Audit Plan.

Mr Crippa left the meeting.

4.13c/18.19 Risk Management Policy

The policy had been revised as requested to clarify the relative roles of the Board and SMT in relation to risk management, and to include the roles of the C&S and F&GP Committees in monitoring risks.

The Board approved the Risk Management Policy.

4.13d/18.19 Risk Register Update

Mrs Chapman reported that the Audit Committee had held a long discussion regarding revising the format of the register. It was agreed that the current version of the register was too operational in its focus and revisions were required to bring a more strategic focus. Thus it was agreed not to bring the full register to the Board but instead an executive summary which set out the story behind the register. She commended Mr Grindell for producing such a comprehensive summary in time for the meeting. Mr Grindell would look at revising the register to produce a document which worked for the purposes of the Board and SMT and Audit Committee would consider this at their next meeting but it was likely to be an evolving format. C&S and F&GP Committees would require a certain level of detail to fulfil their risk monitoring

function but the Board could probably receive an executive summary which gave strategic overview. However, she noted that the Board could always request further detail if required.

The Board congratulated Audit Committee and Mr Grindell on this approach and noted that it was important for Audit Committee to have confidence in the College's risk management process. They endorsed the use of the executive summary but suggested that it would be helpful in future to include as a bulleted list the ten red rated risks within the summary.

Action: Mr Grindell to include the red rated risks as a bulleted list in the executive summary to the next Board meeting.

4.13e/18.19 Appointment of Auditors

This item was recorded as a confidential minute.

The Board approved the appointment of Mazars as external auditors and RSM as internal auditors for an initial three year term.

F&GP Committee papers

Mr Grindell introduced the papers in the absence of Mr Edwards.

4.14a/18.19 Termly Financial Summary

Mr Grindell noted that the position in May was strong with income ahead of budget largely driven by positive variances for HE, 14-16, high needs and advanced learner loans. There was a negative variance on expenditure partly due to an adverse variance on staff costs. However, the budget held a contingency of £300k to manage budget risks and this would be expended. The College's cash reserves were at £15.9m even after capital investment of £2.5m in year. The College's financial health continued to be graded as outstanding. Governors noted that whilst apprenticeship income was slightly down on the ambitious target which had been set it still represented an increase of 25% on 2017/18 and would be offset by other positive variances on income. Overall the forecast for the year end showed a favourable surplus of £390k against a budget of £388k.

4.14b/18.19 Budget 2019/20 & Forecast 2020/21

Mr Grindell reported that the College was on target to deliver the planned increase in income for 2018/19 set out in the Transformation Strategy. Further income growth was planned for 2019/20 in line with the strategy, and the College would continue to increase efficiencies and invest in capital expenditure whilst retaining outstanding financial health. The draft budget for 2018/19 set a target for total income of £17.7m representing a growth of 5.3% compared to the current year forecast. This would be generated via 16-18, HE, advanced learner loans, full cost funding and levy apprenticeships. Turning to expenditure the staffing budget for 2019/20 represented a further efficiency gain with the staff costs to income ratio falling to 63.7% from 65.1%. Depreciation costs would increase due to capital expenditure. The projected surplus for 2019/20 was £346k which was below the £489k in the Transformation Strategy but this was due to the effect of increased depreciation and underlying cash generation was strong and higher than that envisaged in the strategy. To help manage risks a total contingency of £300k was included in the budget.

Governors enquired as to the staff ratio and asked the Principal if she was satisfied that the ratio was appropriate for the College. She confirmed that she was and that the College was evolving a leaner support staff structure and creating efficiencies through integration of technology. Regarding teaching numbers the College had retained teaching staff even in years when learner numbers had shrunk and so now the College had provision in its teaching staff levels for growth in learner numbers. Having said that, she was also mindful of the College's more diverse intake which included some challenging students and research conducted into

optimum class sizes which pointed to 17/18 learners being a good class size. Therefore she had invested in the staff budget to provide appropriate levels of teaching staff.

Mr Grindell turned to the forecast for 2020/21 which was also required by the ESFA. This projected continued growth and capital expenditure and strong cash generation. He predicted the College should still be able to retain cash reserves of £12/13m which would enable the College to comfortably meet its cash balance strategy of maintaining reserves of at least £10m. The College would also retain its outstanding financial health. Governors enquired as to the one year funding to be provided by the Government for the increase to TPS contributions. It was not possible to know at this stage if that funding might continue into 2020/21, even possibly at a reduced rate. If it were completely discontinued then it would result in an adverse financial impact of c. £300k.

The Board approved the 2019/20 budget and 2020/21 forecast.

4.14c/18.19 Annual Fees Policy

Mr Grindell presented the updated policy noting that F&GP had requested further clarification on non-levy apprenticeship contributions on page 5 which he had provided. The Board were pleased to approve the policy but suggested that the College might wish to consider next year moving to a credit based charging system which might also help to address the 2 year versus 3 year degree pricing issues raised earlier.

The Board approved the Annual Fees Policy.

4.15/18.19 Committee Minutes

The following draft Committee minutes were received by the Board:

- Curriculum & Standards 13th June 2019
- Search 13th June 2019
- Audit 18th June 2019
- Remuneration 20th June 2019
- F&GP 20th June 2019

4.16/18.19 Any other business

No matters were raised.

4.17/18.19 Date and time of next meeting

Monday 23rd September 2019 at 9.00am.

The Staff and Student Governors and the Vice Principal left the meeting.

4.18/18.19 Confidential minutes for approval with restricted circulation

The Corporation Board Part 2B minutes of 4th April 2019 with a restricted circulation were accepted as a true and accurate record and signed by the Chair.

4.19/18.19 Confidential committee minutes with restricted circulation

The confidential draft minutes of the Audit Committee meeting of 18th June 2019 and Remuneration Committee meeting of 20th June both with a restricted circulation were received by the Board.

4.20/18.19 Confidential Item

This item was recorded as a confidential minute.

The meeting closed at 12.16pm

Minutes agreed as being a true and accurate record by the Chair.

Signed:

Dated:

Summary of action points

Item	Action
4.11c Termly Safeguarding Report	The Principal to revisit the College's mental health provision with the Board at a later date.
4.13d Risk Register Update	Mr Grindell to include the red rated risks as a bulleted list in the executive summary to the next Board meeting.
4.20 Confidential Item	Mr Grindell to update F&GP Committee on hourly pay holiday pay compliance in November 2019.