

LINCOLN COLLEGE

CONFIDENTIAL

BOARD OF CORPORATION MINUTES

TUESDAY 15 DECEMBER 2015 1630 IN THE BOARD ROOM, LINCOLN COLLEGE

Present	Pat Doody (Chair)	Gary Headland	Keith Batty
	Nick Cudmore	Peter Horner	Nick Lyons
	Steve Marr	Ben McDonald	James Osborne
	James Pinchbeck	Sam Yates	
In Attendance	Sarah Adams (Interim Clerk)	Lorraine Tomlinson-Hall (Chief Operating Officer)	Mark Locking (MD – Education and Training Delivery)
Apologies	Margaret Serna Leonarda Auracher	Haydn Beeken	Dean Graham

17/15 APOLOGIES

Apologies were received from Margaret Serna, Haydn Beeken, Dean Graham and Leonarda Auracher. Pat Doody took the role of Chair.

It was noted that Jacob Vause and Leonarda Auracher had been appointed as Student Vice Presidents and would be attending Board meetings on an alternate basis.

18/15 ELIGIBILITY, QUORUM AND DECLARATIONS OF INTEREST

It was reported by the Clerk that notice of the meeting had been given and that a quorum was present. Accordingly, the meeting was declared open. There were no declarations made.

19/15 MINUTES OF THE CORPORATION AND COMMITTEE MINUTES

Board of Corporation: 10 November 2015

The minutes of the meeting were checked. The following amendments were made: Page 4 para 4 – to add in that “Newark Academy was the greater of the two challenges ‘from a Financial Perspective’ and Gainsborough...” On page 6 – The COO asked that the sentence related to provider funding should be amended to “the COO explained that if provision is put out to providers the college will only realise 15% of the funding as provider expenditure rises”. Following amendment the minutes were signed as a true record of the meeting.

Audit Committee: 15 December 2015

Nick Cudmore gave a verbal update as the Committee had met earlier in the day. It was explained that the Committee had reviewed the internal audit reports for the year to date, the audit progress report and audit plans for 15/16 and it was confirmed the Committee were happy with all reports.

It was explained that a report had been received from the FE Commissioners and that the Committee had asked for a piece of work to be done and questions answered. The Committee had received this report and were content with the outcomes. The Committee had reviewed the Joint Audit Code of Practice (JACOP) and particularly 'risk' and how that fitted in with the work of the Audit Committee. The Financial Statements for year ended July 2015 had been reviewed. The reports were run through with the auditors and no issues of concern had been raised. The Annual Report of the Audit Committee was also reviewed. A discussion had taken place related to the Risk Register and it was noted there had been a transition from the old to the new system and the wording in the Annual Report did perhaps show a reliance on the old risk register and therefore this is to be reworded. There was one issue raised by the Auditors to be included but the Committee overall were happy to sign off the work carried out during the year.

Performance and Quality Committee: 8 December 2015

The draft minutes of the meeting held on 8 December had been circulated for information. Keith Batty (as Chair of Performance and Quality Committee) explained that a number of items had been discussed as this had been the first meeting of the new Committee. The Terms of Reference had been derived from a previous Committee (Standards). The Chair of Performance and Quality explained the meetings would be scheduled as follows: 1 - to take a preliminary look at outcomes early in the Autumn Term; 2 - to review the SAR in draft late in the Autumn Term and approve this to be uploaded; 3 - to review the Improvement Plan and check on progress of that plan using any relevant data in the Spring Term; 4 - in the Summer Term to also check on progress of the Improvement Plan and look at what can be included for the following year both for the SAR and the IP.

It was explained that one of the Terms of Reference included delegated authority to the Committee to review the College Policies, however it was felt this did not fit within the remit of the Committee. It was asked if the Board of Corporation could make a decision on how best to review policies and whether this should be assigned to the Board of Corporation or one of the sub-committees. It was reported that a Vice Chair will be appointed at the next meeting and the Committee are still one member short.

It was reported that a peer review had been undertaken of the SAR prior to the Performance and Quality meeting which had involved all Committee members and enabled them to have input to the review of the draft SAR which had been a useful session. A conclusion had not been reached and the new version will be circulated prior to Christmas for approval. It was explained the final full SAR would be ready in the spring term following the QSR and at that point the Board of Corporation would receive recommendation from the Performance and Quality Committee for this to be signed off. Should the QSR result in significant changes an extra meeting will be arranged.

Within the pack the HEFCE Student Number Control was not signed off by the Committee. The Committee had recommended that the Board of Corporation now sign this document

Action: Board of Corporation approved the signing of the HEFCE Student Number Control document. This will be signed by the Chair and returned

The Performance Report was received by the Committee. It was noted that the Committee were pleased with the report but have asked that the 'so-what's – ie what are we going to do about it are added to the report in future.

The committee had gone through the Performance Report in detail and an update is to be given to the Board of Corporation as part of the Performance Item (agenda item 8).

Further discussion took place on Policies. The Interim Clerk outlined the process that had been followed to date to centralise and standardise the College Policies. It was explained these sit within different areas of responsibility with Heads of Unit/Directors acting as the relevant sponsors. Policy updates are regularly fed through, for example if there are legislative changes and these are uploaded onto a central document area for staff information. There are approximately 120 Lincoln College Policies. Due to the large amount of documents the Chair felt that Policies should only come to the Board of Corporation by exception.

Mr Batty explained the Clerk of the LCAT had been asked to include Review of Policies within their remit and bring those to the Board as and when required. It was agreed that the review of such documents was an internal college process. It was suggested that the review of policies should be included within the remit of the Clerk with a report brought to the Board of Corporation once a quarter. This was agreed.

The Chair agreed the schedule suggested for review of the SAR was sensible and this was therefore agreed by the Board of Corporation.

The CEO thanked the Chair for his thorough report on the work undertaken by the new Committee and their engagement with the process specifically related to the SAR. The CEO felt that the process of external moderation was great progress since last year. The MD (E&TD) explained the QSR will now be QAR and will not be published until February so this may delay the data. It is felt this is in line with new reporting measures. It was explained that local data would be used for inspection purposes prior to this date.

Finance Committee: 10 December 2015

Mr Doody explained the Committee had been briefed on new projects in KSA. It was explained that Finance Committee had received the first draft of audited accounts and that the loss recorded against KSA was a surprise. There is a need to understand what the impact would be. It was explained that further work is required on KSA in future so that the Finance Committee are kept more up to date with any current or relevant issues in financial impact terms. It was noted that the accounts were accurate to the management accounts for the College itself which was positive. The Finance Committee are now receiving monthly management accounts and a much healthier position is shown. The College is in surplus due to tight budgetary controls. A surplus is possible if these controls remain. The first quarter results do show a surplus however the Committee agreed that they defer any consideration of a pay award until the meeting in March as they were not in a position to recommend this at this point.

Mr Doody asked the COO if the KSA accounts would be included in monthly management accounts for the Finance Committee and this was confirmed.

20/15 MATTERS ARISING AND NOTIFICATION OF URGENT BUSINESS

No notifications of urgent business had been received. The COO explained that following conversation with the External Auditors it was necessary to minute that Pat Doody as Vice Chair was approved to sign the Financial Statements in the absence of Margaret Serna as Chair.

21/15 GROUP CEO REPORT

The report was taken as read. The CEO gave a report on his visit to KSA and the position of the Colleges. He reported on a positive visit.

It was explained that the Strategic Plan was only set for one year due to the timing of the general election and this will now start again and will include Area Based Review and Apprenticeships. The CEO explained that the Devolution bid for Greater Lincolnshire may not go forward at this point. The CEO reported that Stamford, Grantham and Boston are exploring a merger. There may be opportunities to be explored related to collaboration with New College Stamford. An update will be given to Board in January. Grimsby Institute have made contact with the College to work together on Area Based Review.

It was explained that a joint Streets Chartered Accountants/Lincoln College Group event is being held on Monday 8 February related to China.

The CEO reported on possible strike action at Newark Academy. It was explained this was linked to budgetary cuts linked to falling student numbers. It was noted the Principal is on sick leave and the Academy is currently being run by the Vice Principal supported by the new Interim Executive Principal. The LCAT will report in to the Board of Corporation Strategy Day in January. The Chair asked if there was any impact on the new build and it was confirmed this was not the case and the move to the building is as scheduled. The Chair asked if there was any impact following the CSR? The CEO explained there would be no immediate cuts but there is the need to continue to reduce reliance on Government funding.

The CEO gave a report on his visit to KSA. The relationship between the KSA Shareholders and the Finance Committee is to be strengthened. The CEO reported on the College in Al Aflaj. It was explained that the local population would not bring in the student numbers to support the College, particular due to the other provision in the area (Vocational College and University) and it was felt the due diligence had not been effective. The KSA Shareholders had reached the decision that the Male College should be closed. The CEO explained work had been taking place with the CoE Commercial Director and a case has been put forward related to exceptional expenditure due to issues with the business model. CoE have agreed to look at this carefully and defer any repayment of business loans. It was recognised by CoE that as the College is a single entity then the risk is bigger.

The CEO explained a verbal agreement had been reached to:

- close both Colleges
- give free choice of new College/s
- defer the bridging loan repayment until March
- undertake a joint review
- consider contract extension

The CEO expressed his thanks to the COO and the MD International for the commercial work they had carried out.

The CEO also reported on the College in Al Qatief and roll of 1,430 students which is proving very successful, particularly due to the shortness of time the College has been open. Capacity is 2,500 currently.

The CEO reported on a meeting with Female Students in Qatif who had spoken very positively and were a credit to the teaching staff. The CEO reported on a leadership course for Females being developed. The COO will be visiting KSA in February to follow up on the rebuilding of the financial model. The Chair asked for an indication of when the finances would move into the positive and the COO responded that within the five year contract there would not be a deficit. The COO will bring detailed figures to the Finance Committee.

Steve Marr asked about the demographic in Al Qatif. The CEO explained it is densely populated and the capacity of the College will be exceeded. The COO explained there had been 3,000 applications but the enrolment has been carried out in a staggered basis to ensure the staff and quality are in place. Peter Horner asked if there was any management of the press required when the story, ie of closures or losses, reaches the British press. The CEO explained the issue in KSA would be dealt with locally and for the UK press guidance has been to explain this is a commercial arrangement, there has been a renegotiation but the College and CoE remain committed for the long term. James Pinchbeck asked if there were any questions that should be asked regarding the initial due diligence in case this is raised. It was explained that the building of the University in the immediate vicinity could not have been foreseen at that point. For the future it was noted that community support is crucial. James Pinchbeck also asked if the narrative for the financial accounts should be revisited and changes considered. The Chair explained he took comfort from the fact that the auditors had signed off the accounts but agreed that there is a need for accuracy. It was noted however that the accounts were for the year ended 31 July 2015 and the events had happened post this date.

22/15 GROUP COO REPORT

The COO report had been circulated and comments and questions were invited from the Board. The Chair asked about the timing of appointment for the Director of Financial Performance. It was explained this post would cover part of the role previously undertaken by Paul Deane. The COO explained this was currently being finalised. Also within budget is an additional management accountant which has not yet been recruited to. The CEO reported on feedback from the Staff Roadshows and additional appointments. The resource and capacity of the SLT was discussed.

Nick Lyons asked if there was a structure chart that could be circulated for information. It was outlined that the first three layers is around 30 members of staff and this will be sent out. Nick Lyons asked if photographs could be included if possible.

Action: a structure chart to be circulated for information

Steve Marr explained it needs to be taken into account that these are Group appointments where there is a need to augment the team and they are not just College appointments and this was agreed. It was explained that often this is not the understanding or perception of staff. Sam Yates agreed this is often the case. The additional responsibilities for staff who are now working for the Group rather than just the College was explained. The CEO explained he was happy to run through this with Staff Governors should they find it helpful. The Chair explained that the Board do recognise the position. The COO felt that when a 'TopCo' is set up this will make what fits where much clearer.

The Chair explained the Board felt positive about student number recruitment and the improvements in the learner journey. It was noted there had been a lot of improvements as part of STEP wave 1.

23/15 GROUP MD (E&TD) REPORT

The MD asked that this item is taken together with the next. The report was taken as read. The overall picture around college performance was outlined and it was explained this report will be expanded for future meetings. Overall classroom based provision (without English and Maths) is roughly static and slightly under benchmark. With Maths and English this has a negative impact of around 7%. It was noted this is linked to the new funding methodology. It is expected that overall the national benchmarks will be depressed, potentially around 3 – 4%. It is clear there is currently an issue linked to Maths and English. Performance in HE is improved. There is a mixed picture for apprenticeships – it was noted one provider had a large negative impact and this provider is now not contracted with, together with three other sub-contractors. The carry in data will take time to drop out.

The Performance and Quality Committee had analysed the data in detail. The work being carried out with staff, linked with the Quality Team was outlined, together with the leadership development programme for managers. The MD (E&TD) explained what is being done to turn round performance in year, including the need to know the numbers, rewarding staff and focused improvement work. The MD explained previously whole College targets were set but these were not effective due to the wide range of benchmarks and differences in courses. The targets are now being set by course and it was explained that some are stretching.

The Improvement process was outlined including course level targets, interventions, delivery improvements, performance management of teaching, learning and assessment and English and Maths intervention. This process will be reviewed on a bi-monthly basis. The MD explained there are now a number of criteria that performance is assessed against rather than reliance on a 'pin prick' lesson observation process. There is still some work required related to English and Maths and ensuring students are on the right course but this is much improved from last year. The MD reported on the STAR Chambers currently taking place to analyse course performance.

The Chair asked if where there were under performing courses was this staff related. The MD explained this is not always the case and could be linked to a number of factors including students not being on the right course. Mr Batty explained that this had been discussed at the Performance and Quality Committee and it was noted that there was also a strategic need to run some courses to ensure provision was provided for learner choice rather than cut courses for performance and quality reasons. It was explained that this will be part of curriculum planning. The MD gave an example of one A level course that had failed year on year and did not have an impact on the curriculum offer overall and had therefore been cut. Mr Batty explained discussions that had taken place about retaining each level within each area but that any decisions are based on internal rather than external justification. Ben McDonald asked about the courses that had not been run this year and what would happen to the students who wanted to continue provision. It was explained a course would always run to the end, ie AS to A2 and not end early.

24/15 PERFORMANCE DATA UPDATE

This was covered above.

25/15 2014/15 FINANCIAL YEAR END

The Financial Controller joined the meeting. The COO gave an overview. It was noted the set of accounts were compiled from two systems as this had changed over in December and had therefore been challenging. Considering the position and the challenges the outturn is very satisfying. The Financial Statements have been to both Finance and Audit Committee. The Chair queried the targeted surplus of 2.9%. It was agreed it would be noted in the minutes as a matter of accuracy that this could be revisited rather than changed at this point. It was agreed to take this to the January Strategy Day to consider.

James Pinchbeck felt the number of sets of accounts also highlights the need to look at the structure for the Group. The COO responded that this is being looked at. The Chair expressed that the Financial Statements had been analysed in detail at Finance Committee.

Action: The Financial Statements were approved for signing.

Annual Report of the Audit Committee

It was noted that these will be amended slightly following the Audit Committee meeting held earlier.

Any other business

It was explained that Nottinghamshire County Council had asked for a Safeguarding audit checklist to be completed. The MD explained that it was necessary for the Board to receive and approve this.

The Chair recommended the report is approved and signed by the Board.

Action: the document was approved and signed accordingly

The Chair thanked the Board for their support during the year. James Pinchbeck expressed that as a Governor he felt much more positive about the position the College is currently in and the leadership.

26/15 DATE OF NEXT MEETING

It was agreed that the next meeting will take place on 26 January 2016 at 1200.

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Chair

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Date