

MINUTES OF A MEETING OF THE CORPORATION HELD ON
WEDNESDAY 20 DECEMBER 2017
IN ROOM L8 AT THE ISLE OF WIGHT COLLEGE

			ATTENDED	ATTENDANCE 2017/18
GOVERNORS:	Dr Nick England	Chair	✓	3 of 3
	Prof. Nigel Hastings	Vice Chair	✓	3 of 3
	Mrs Debbie Lavin	Principal	✓	3 of 3
	Mr Graham Cooper		✓	2 of 3
	Mr Steve Corbett	Approved leave of absence		
	Mr Robert Davies	Student Governor	✓	3 of 3
	Ms Lisa Flaherty	Student Governor	✓	3 of 3
	Mr Matt Grzegorzewski		X	1 of 3
	Ms Catherine Jackson	Support Staff Governor	X	2 of 3
	Mr Ben Lyon	Student Governor	✓	3 of 3
	Ms Ginnie Orrey		✓	3 of 3
	Mrs Sheila Paul		✓	2 of 3
	Mr Martyn Pearl		✓	2 of 3
	Mr Gordon Pownall		✓	2 of 2
	Dr Nick Sinnamon		✓	3 of 3
	Dr David Wake		✓	3 of 3
	Mr Steve Winfield-Hunt	Teaching Staff Governor	✓	1 of 1
Attendance % this meeting:		86.87%	Present at this meeting: 14 of 16	
Attendance % year to date:		79.59%	Total attendance year to date: 39 of 49	

IN ATTENDANCE:	Ms Lynne Christopher	Deputy Principal	X
	Mr Peter Thompson	Assistant Principal – Finance & Resources	✓
	Miss Fidelma Washington	Assistant Principal – Quality Improvement	✓
	Mr Roland White	Assistant Principal – Students, Teaching & Learning and HR	X
	Mrs Tracy Bull	College Accountant	✓
	Mr Brian Bowker	Clerk to the Corporation	✓
APOLOGIES:	Mr Matt Grzegorzewski (H), Ms Catherine Jackson (H), Ms Lynne Christopher (W), Mr Roland White (P)		

The Chair welcomed Steve Winfield-Hunt to his first meeting as Teaching Staff Governor.

164/17 DECLARATIONS OF INTEREST

Dr Nick England in relation to work currently being undertaken with Island schools. Prof Nigel Hastings, whose wife is a governor of the Innovation Trust. Dr David Wake as a member of the UKSA Advisory Board.

165/17 APPROVAL OF THE NON-CONFIDENTIAL MINUTES OF THE MEETING HELD ON 22 NOVEMBER 2017

The minutes were approved as a true record of the meeting.

166/17 MATTERS ARISING FROM THE MINUTES OF 22 NOVEMBER 2017

It was noted that the matters arising had been addressed or would be dealt with at future meetings.

167/17 APPOINTMENT/RE-APPOINTMENT OF GOVERNORS

The Corporation APPROVED

- (i) The appointment of Mr Steve Winfield-Hunt for a two-year term from 20 December 2017 to 31 July 2019
- (ii) The current term of office for Dr David Wake be extended by 18 months to 31 July 2019
- (iii) The re-appointment of Professor Nigel Hastings for a further four years to 31 January 2022
- (iv) The re-appointment of Mrs Sheila Paul for a further two years to 28 February 2020
- (v) A six-month leave of absence be granted to Mr Steve Corbett until 30 April 2018.

168/17 COMMITTEE MINUTES

The Corporation NOTED the draft Audit Committee minutes of 29 November 2017.

The Corporation NOTED the draft Search & Governance minutes of 6 December 2017.

169/17 CHAIR'S BUSINESS/RATIFICATION OF CHAIR'S ACTION

The Chair informed members that he had completed his visits to College curriculum departments and had found the process enjoyable and enlightening. The Chair also informed members that due to business commitments, he would be unable to attend the March and April 2018 Corporation meetings.

170/17 MONTHLY FINANCE REPORT

The College Accountant took members through the report and informed them that the College's management accounts for the four months to November show an operating surplus of £57k (budget forecast of £331k surplus) excluding staff restructuring. This results in a £274k year to date adverse variance. She stated that the key variances in the month can be attributed to: reduced funding body income, with apprenticeship growth not achieved and no ESF income this year. Full cost income is not achieving the planned growth, learner fee income is very low for the month and labour costs for the year to date are showing a minor adverse variance to budget. She added that the report is not a forecast for the year but a report of actual results to date.

A question for clarification was asked regarding debtor days and further questions were asked regarding the action being taken to address the adverse variance. The Assistant Principal (finance & resources) informed members that where income streams agreed in the 2017/18 college budget would not be achieved, immediate action was being taken and he provided specific details of this. The Assistant Principal added that although the clawback on 19+ apprenticeship funding had taken place, the adult over-achievement has been funded. He stated that when all the savings in pay and non-pay and additional income are totalled, the College is forecasting an end of year surplus of £82k. However, he added that there is a concern that bank covenant five may be broken, (as it is currently showing a shortfall of £260k in trading cash) despite the small surplus, therefore further savings will be required to mitigate this.

The latest estimate of £82k surplus included the following:

- Significant reductions in income. The following income streams were downturned: apprenticeship income (£321k) and full cost income (£400k). The projected growth due to the opening of CECAMM has not been realised. These income streams were highlighted as risks in the Financial Commentary of the Two Year Forecast, which the Corporation approved in July 2017.
- The inclusion of £179k funding income related to 2016/17, but taken into the current year with the approval of RSM. This income included £195k of overachievement income for the Adult Education Budget, and a £99k clawback relating to 19+ apprenticeship funding.
- Mitigations of £735k including the removal of various contingencies, including: £150k for a pay award, £126k of unspent restructuring, and removal of non-pay contingencies.

A question was asked regarding the potential cost of breaking the bank covenant versus refinancing. The Principal and College Accountant provided a comprehensive response that indicated that refinancing was not a viable

financial option.

A member stated that this was not the financial position the College expected to be in and expressed concern that £82k is a small margin and given that it is only five months since agreeing the budget, were there things that should have been identified at the time of finalising and approving the budget? The Principal responded in detail, providing the background to recent events that have led to the revised end of year projection.

The Chair reminded members that the College turnover is similar to ten years ago but student numbers have almost doubled during that time.

The Corporation CONSIDERED the report.

171/17 FINANCIAL PLAN 2017-19

The Assistant Principal (finance & resources) reminded members of the ESFA financial planning process and drew attention to the second graph on the ESFA finance dashboard that showed a decline nationally in college financial positions.

The Assistant Principal said that the most significant issue had emerged from the ESFA noting that the College has moved from good to satisfactory and would be “tagged” for the early intervention strategy. However, the ESFA had stressed their awareness that the capital funding was a key factor in this movement and there were no plans to implement early intervention.

A member asked for clarification on the implications of the early intervention strategy and the Principal responded in detail. She referred to the document on early intervention and that bullet point 1 stated any movement from good to satisfactory financial health would alert the funding body to action. She also read out the telephone conversation she had had with the agency stating there would be no publication, no action taken by the agency, no intervention as the one indicator at risk is due to previous capital monies, which are now almost spent.

The Corporation CONSIDERED the report.

172/17 INTERNAL AUDIT SERVICE ANNUAL REPORT 2016/17

The Chair reminded members that the report had been considered by the audit committee and recommended to Corporation for approval. The Chair of the audit committee informed members that the external auditors had stressed the excellent professional relationship that existed between the College and the audit team.

A question was asked about the checking of student visas referred to in the report and the Assistant Principal (finance & resources) provided a satisfactory response.

The Chair thanked the College officers for their significant contribution to a positive audit outcome.

The Corporation APPROVED the internal audit service annual report 2016/17.

173/17 BOARD ASSURANCE FRAMEWORK: RISK MANAGEMENT ANNUAL REPORT

The vice Chair of the audit committee informed members that the committee had considered the full register in detail and were impressed by the progress in developing a more robust assessment of the risks facing the college.

The Corporation CONSIDERED the report.

174/17 COLLEGE ACCOUNTS 2016/17

The Chair reminded members that the audit committee, at its November meeting, had scrutinised the accounts in detail, along with the lead external auditor. No substantive issues had been identified and the accounts were recommended by the audit committee to Corporation for approval.

The Chair of the audit committee drew attention to the covering paper summary of the individual accounts' documents and drew attention to the voluntary ILR external audit report that asserted the strengths of the College student data processes.

Members thanked the College officers for their hard work during the 2016/17 academic year.

College Accounts:

- a) College Accounting Policies
- b) Statement of Corporate Governance and Internal Control
- c) 2016/17 Financial Statements
- d) Final Audit Findings Report
- e) Letters of Representation
- f) Finance Record
- g) Self-Assessment Questionnaire for the Regularity Audit
- h) Delamite Ltd: Financial Statements 2016/17
- i) Delamite Ltd: Letter of Support
- j) Annual Report of the Audit Committee 2016/17.

The Corporation APPROVED the College accounts for 2016/17.

The College Accountant left the meeting at this point.

175/17 PRINCIPAL'S REPORT

The Principal took members through her report which addressed industrial strategy; T levels; standards of governance and accountability and national leaders of further education. A question was asked for clarification on implementing T levels and the Principal provided a detailed response.

The Principal reminded members that the College had been approached, along with other colleges, by Southampton City College with a view to being their improvement partner. She informed them that Southampton City College has now arranged an agreement with another college. She then provided information on an Island governors Chairs' network; an update on capital builds and data on student English and maths attendance.

In conclusion, the Principal drew attention to the letter from the chief executive and accounting officer of the ESFA which posed a number of questions to FE sector colleges. The clerk was asked to forward a copy of the letter, with Isle of Wight College internal responses, to all governors, which should enable a better understanding of our response to the questions raised. Should governors have any further questions then e-mail or discuss with the Principal.

Clerk

The Corporation CONSIDERED the report.

176/17 DRAFT JANUARY 2018 STRATEGY DAY AGENDA

Members considered the draft agenda and, following discussion, agreed that a short session should be included to review the key responsibilities of governors.

The Corporation APPROVED the 2018 Strategy Day agenda.

177/17 COLLEGE SELF-ASSESSMENT REPORT 2016/17

The Chair highlighted the significant involvement of governors in the SAR process and thanked them for their contribution. The Assistant Principal (quality improvement) took members through the self-assessment report, focusing on the SAR process, eventual outcome and resulting quality improvement plans.

The Chair asked a question about the College quality improvement plan and how it was being implemented and monitored. The Assistant Principal provided a response and informed members that the individual curriculum areas update their quality improvement plans in December, March and June. Monitoring by senior managers is rigorous to ensure that identified actions are implemented.

The Chair asked the student governors for comments on their areas of study and discussion took place on the higher education self-assessment criteria.

The Corporation APPROVED the College self-assessment report for 2016/17.

178/17 OUTCOMES FOR LEARNERS n2016/17

The Assistant Principal (quality improvement) took members through the report and a number of questions were asked, including for clarification on performance outcomes by gender. A member asked how the College uses the positive student outcomes information, for example on apprenticeships, to increase student recruitment. The Assistant Principal (finance & resources) outlined the action taken by the College but identified the difficulties experienced in trying to promote “good news” stories in the local media. The Principal stated that the new CECAMM building is generating positive promotional opportunities.

The Corporation CONSIDERED the report.

179/17 HIGH LEVEL PIs AND TARGETS 2017/18: MONITORING REPORT

The Assistant Principal (quality improvement) took members through her report and a lengthy discussion took place. Members focused on the areas of underperformance identified in the report, asked the Assistant Principal for specific details of the action being taken to improve performance and the Assistant Principal responded in detail to members’ satisfaction. A member commented on the challenge presented by the significant number of targets that the College was working towards.

The Corporation CONSIDERED the report and APPROVED the targets for the new KPIs for 2017/18.

180/17 TERMLY SAFEGUARDING REPORT

The designated safeguarding governor informed members that this was a positive report and highlighted the progress being made by the College in matters relating to safeguarding. The Assistant Principal (finance & resources) reminded members that the recent audit had given this area of activity “substantial assurance”.

A question was asked regarding whether the College had any concerns that bullying incidents were not being reported. A student governor responded that reporting mechanisms are well promoted throughout the College and could be easily accessed by students.

The Chair informed members that he had asked the Assistant Principal

(students, teaching & learning and HR) to update governors on the development and use of the single central record.

The Corporation CONSIDERED the report.

181/17 TERMLY TEACHING & LEARNING REPORT

The Corporation CONSIDERED the report.

182/17 END OF MEETING REVIEW

The Chair asked members for their views on the effectiveness of the meeting and whether enough time had been spent on key agenda items. Members responded that the most significant items: the College accounts; monitoring of high level PIs and targets; outcomes for learners and the College self-assessment report had been considered in detail, with rigorous interrogation of College officers. The recently appointed external governor stated that he had found the papers accessible, with the right level of data being provided.

A member suggested that one area that could have been given further consideration related to the increase from five red 'rag rated' risk items to ten red 'rag rated' items.

The Chair concluded discussion by stating that this was a particularly demanding agenda and the clerk was requested to remind members of the significant time required to consider the College accounts.

183/17 ANY OTHER BUSINESS

There were no items of any other business.

184/17 DATE OF NEXT MEETING

Wednesday 28 February 2018 at 16.00hrs – 18.30hrs in room L8.

Chairman: _____ Date: _____

MISSION STATEMENT
Putting Students First | Working for Employers | Supporting Our Community