

## CORPORATION

**DATE:** WEDNESDAY 1 JULY 2015

**PLACE:** 4<sup>th</sup> FLOOR EXECUTIVE SUITE

**TIME:** 5.00pm.

**PRESENT:** Godfrey Allen (Chair), Sue Rimmer (Principal), Daud Ilyas, Cllr Brenda Fraser, Karen Fullman, Jonathan Hick, Paul Robinson, Lucy Ashman, Michael Helene, Andrew Brown, Ross Maloney, Katie Driver, Cllr Jim Maddan.

**IN ATTENDANCE** Chris Wright (Vice Principal Planning & Resources)  
Ralph Moran (Director of Finance Item 7 onwards)  
Jason Pemberton-Billing (Vice Principal Curriculum & Quality Item 7 onwards)  
Bev Giarraputo (Vice Principal Curriculum and Student Services)  
Sarah Horrell (Vice Principal Employer & Community Engagement Item 7 onwards)  
Julian Grindell, (Interim VP Special Projects)  
Natalie Watt (Clerk to the Corporation)

### 1. **Apologies for Absence**

- Rhea Augustus-Noel, Yvette Stanley, Kazi Hossain, Cllr Stuart Thom.
- The Chair informed Members that Paul Robinson was finishing his final term of office as a Governor. The Chair expressed his appreciation both personally and on behalf of the Corporation for the hard work, dedication and passion that Mr Robinson had demonstrated over his 12 years of service to South Thames College Corporation.

### 2. **Declarations of Interest**

- Cllr Jim Maddan Item 12iii Capital Project.
- Noted Julian Grindell Interim VP Special Projects was also employed as a consultant for Fusion Projects Ltd.

## PART TWO

4. **i) Minutes of the meeting held on 18 March 2015** – The minutes were received and approved as a true and fair reflection of the meeting and they

were signed by the Chair of the Corporation.

**ii)Confidential Minutes of the meeting held on the 18<sup>th</sup> March 2015 –**  
The minutes were received and approved as a true and fair reflection of the meeting and they were signed by the Chair of the Corporation.

**iii)Confidential: Minutes of the meeting held on 18 March 2015 (SPH).**  
The minutes of the meeting were received, approved and signed by the Chair of the Corporation.

**5. Matters arising from the minutes**

**6. Chairs Action/External Meetings**

- The Chair attended the following meetings on behalf of the Corporation:
  - AoC Governors Council
  - Regional Meetings
  - Governance Forum
  - Meetings with other College Chairs undertaken as needed
  
- Members were advised that the following contracts were signed and where appropriate sealed by the Chair on behalf of the Corporation:
  - Merton Capital Project
  - Summer Works Capital Project Wandsworth
  - EE Phone Mast re-location
  - Section 106 Wandsworth Site

**7. Governance – Presented by the Clerk to the Corporation**

Items discussed:

**i)Election of the Vice Chair of the Corporation.**

- The Clerk confirmed, that as notified by email only one nomination for the role had been received. Members APPROVED unanimously the appointment of Andrew Brown as Vice Chair of the Corporation for a period of one year.
- The Chair expressed his appreciation to Mr Brown for his willingness to undertake the role.

**Mr A Brown was APPROVED for appointment as Vice Chair of the Corporation.**

**ii)Constitution & Membership of Committees**

- The Clerk referred Members to the discussions that had taken place at the Committee.
- Members noted that the Corporation had one vacancy for an Independent Governor and as at 1<sup>st</sup> August would have two for Student Governors to be appointed in the Autumn Term Noted.
- Members discussed and agreed the amendment of the Committee Membership of the Search & Governance Committee from 5 Members to 4 with the proviso that the Vice Chair of the Corporation be appointed as a co-opted Member when interviews were conducted. Agreed. Noted that the Clerk would update the Terms of Reference accordingly.

**Revised Terms of Reference APPROVED and report RECEIVED.**

Clerk

### iii) Code of Good Governance – English Colleges

- Members received the report, covering letter from the AoC and a copy of the code.
- Following recommendation from the Search & Governance Committee the Corporation APPROVED the adoption of the Code from September 2015.
- It was agreed that the Clerk and the Principal would work on developing an action plan for implementation in the Autumn Term.

Clerk &  
Principal

**Report RECEIVED Code of Good Governance APPROVED for adoption.**

### 8. Principals Report – Presented by the Principal

Items discussed:

- Members noted the report and queried the current level of success rates against the target of 85%.
- The Principal confirmed that success rates were currently at 79%. Members noted that this was an improvement on the previous year but still below target. Discussion followed on national benchmarks.
- Discussion followed on the importance of STC schools, particularly Hospitality, which were particularly successful becoming role models across the college and disseminating best practice.
- The Chair noted the update at paragraph 13 and requested that the Boards congratulations be formally passed on to the individuals in question. Agreed.
- Members noted the points raised under admissions and discussion followed on available intelligence to date.
- Members noted the issues the College faced in converting enquiries into enrolments.
- Members discussed anecdotal feedback from experience at other Colleges.
- Members were informed that marketing had been improved and a summer campaign would be delivered. Members noted the areas where enrolments were expected to be down. Members were also informed that in terms of social media and the internet that the College received consistently good feedback which would support the summer campaign.
- Members noted the update at paragraph 30 on Business Cases. The Principal confirmed that number that had requested voluntary redundancy was at 65 and that these were currently being reviewed.
- The Principal informed the Board that she had personally communicated with all the teams, departments and schools involved in the process via team meetings.
- Members were advised that following consultation 5 posts had been reinstated to ensure that delivery to students was maintained at an acceptable level. Noted.
- Members noted that depending on decisions made on other matters on the agenda further business cases may need to be launched before the end of term. It was agreed that the Principal would keep the Chair and Vice Chair apprised of developments between meetings as per normal practice.
- The Principal drew Members attention to paragraph 31. The Principal confirmed that on the day the strike was withdrawn. Discussions had taken place at the picket line and staff were

Principal

Principal

advised that the College would not be paying those who had not turned up for work.

- Members noted that new legislation would prevent the strike from occurring in the same set of circumstances given the low level of participation in the vote.

**Report RECEIVED.**

**9. Teaching, Learning & Assessment Report – Presented by the VP Curriculum and Quality.**

Items discussed:

- Members noted the summary of the report and discussion focussed on the developmental observations detailed in paragraph 2 and the challenges of aggregating findings in the current year.
- Members were advised that the developmental observations were being further refined for the coming year.
- Members noted that health check reviews had been completed and reported to the Quality and Performance Committee.
- Members commented on the number of grade 3 self-assessment grades.
- Members noted that 5 areas required improvement and that overall effectiveness had only been confirmed for 4/11 areas taking into account the previous year's data.
- Members expressed on going concern at the inconsistency across schools, a view shared by the Principal.
- The Principal confirmed that the areas of focus were attendance, stretch and challenge and the need for improved teaching. However the health checks had provided valuable insights enabling the senior leadership team to target efforts for 2015/16 and work on this had already begun.
- Members noted the work undertaken to revise the role of teaching and learning coaches to maximise their impact.
- Members also discussed the more systematic referral systems in place for the coming year which were now linked to a proposed College Performance Indicator.
- Members commented the slippage shown in year in level 3 and the VP Curriculum and Quality discussed the need for more accuracy in predicting outcomes ideally within a percentage point of actuals to ensure swift responses in year.
- Members noted that 16-18 were at 77% under the benchmark of 80%.
- The VP Curriculum and Quality informed Members that that validation meetings were proving crucial in identifying contributory factors which could then be managed to improve performance.
- Members were advised that the focus for teaching and learning for 2015/16 would be on staggered assessments starting from level 1.
- Curriculum design would also be a focus of efforts to ensure it was fit for purpose for students.
- Members discussed potential correlation between on-going assessments and high success rates.
- The VP Curriculum and Quality confirmed that generally speaking there was a positive correlation, as it enabled targeted actions for students who were struggling.
- Members were informed that all assessments had been brought

forward for the coming year. Members queried why forecasts were overly optimistic and noted the over prediction at A levels in particular.

- The VP Curriculum and Quality confirmed that previous practice allowed the over prediction, however, the introduction of pro monitor and improved management information systems was expected to act as a check against this in future.
- The Senior Leadership Team (SLT) were now able to drill down to base level at every validation opportunity as were managers at every level in between.
- Members noted that this had been introduced at the start of the year but that it had taken time for this to become embedded.
- Members discussed the table at paragraph 9 and the areas of under delivery. Discussion followed on short courses and employability factors.
- Members noted the good level of success with short courses, however, the Vice Principal Curriculum and Quality drew to Members attention that this could mask under delivery elsewhere hence the higher scrutiny now employed across the board. Noted.
- Members noted the changes to the Teaching and Learning Strategy and the more systematic use of data.
- Members also noted the reduction of the observation team from 60 to 20 (which included the Principal) to better ensure consistency in approach. Noted.
- The Principal informed Members that a key challenge was English and maths and that the head of functional skills had resigned. Key staff had been appointed to take this area forward and provide support for 2015-16.

**Report RECEIVED.**

**10. CPI's and Strategic Priorities 2014/15 & Proposed CPI's for 2015/16. -**  
Presented by the VP Planning & Resources.

Items discussed:

- Member's attention as drawn to the new CPI's highlighted and the RAG rated forecast.
- Members noted the RED indicators for the financial forecasts.
- Members queried the Employer voice CPI and asked what the target was for OFSTED. Members requested that meaningful numbers be used to populate the CPI chart. Agreed.
- Members requested that CPI's on class utilisation and attendance be included in the monitoring list. Agreed.
- Members also requested that a key indicator for progression be included as this was key to achieving targets for the coming year. Agreed.
- Members discussed the new CPI for teachers referred for support and proposed that this be a positive aspirational target for % of outstanding teaching. Agreed.
- The VP Curriculum and Quality proposed that this should include good peer observations and that the quality team would be tracking broad indicators as well. Noted.
- Members queried whether any of these proposed indicators had national benchmarks and requested that where they were available they should be included in the report and identified as such. Agreed.

- It was agreed that given the level of change requested that **new CPI's would be proposed for approval in the Autumn Term** incorporating the requests made.
- The Principal expressed her concern with labelling teachers where they were being measured for support and suggested that this also be reviewed and better reflected as a positive Teaching and Learning CPI. Noted.

**CPI report RECEIVED.**

**11. Quality & Performance Committee**

**i)Self Assessment Report (SAR) Process** – Presented by the VP Curriculum and Quality.

Items discussed:

- It was noted that additional time and or a meeting as necessary would be allocated to reviewing the SAR report by the Quality and Performance Committee in the Autumn Term.
- It was noted that Governors would be involved in the validation process.

**Report RECEIVED.**

**ii)Learner Voice Activity Update** – Presented by the VP Curriculum and Quality.

Items discussed:

- Members noted the positive responses reported on the OFSTED learner review site. Members were informed that the responses to FE Choices were in line with the national benchmark for GFE Colleges.
- Members were advised that further work was underway to review the data based on age ranges to look for any patterns.
- Members noted the change in approach to quick poll and the proposal to include Student Representatives and Governors in the process in College. Agreed.
- Members noted the update on disciplinaries, discussion followed on gender percentages and Members were advised that they were approximately even and where measureable were comparable year on year.

**Report RECEIVED.**

**iii)Safeguarding & Vulnerable Adults Update** – Presented by the VP Curriculum & Learner Services.

Items discussed:

- Members noted the update on Safeguarding. Members discussed at length the PREVENT agenda and training.
- The VP Curriculum and Learner Services confirmed that the PREVENT strategy and child sex exploitation were also being included for September and that the PREVENT strategy would be reported to Q&P Committee.
- The Clerk confirmed that all Governors had received PREVENT training during the course of the year.
- The VP Curriculum and Learner Services confirmed that guidance and information on British Values was being included in tutorials and Teaching, Learning & Assessment from September. Termly meetings were being planned to monitor progress with these

agendas.

- Members raised a query in relation to the increased reports identified at paragraph 6 & 7. The VP confirmed that the numbers were still rising and were expected to do so for some considerable time. It was expected that following the inclusion and greater awareness of child sex exploitation and female genital mutilation that these too would impact on the increase in cases. Noted.

**Report RECEIVED.**

**iv) Redundancy & Re-Structuring Policy** – Presented by the Principal.

Items discussed:

- Members were referred to the minutes of the Quality & Performance Committee and it was noted that this was recommended for approval by the Committee.

**Redundancy & Re-structuring policy APPROVED.**

**12. Finance & Resources Committee**

**i) Management Accounts 2014/15** – Presented by the Director of Finance.

Items discussed:

- The Director of Finance informed Members that despite receiving confirmation in writing from Lloyds Bank that they had now informed the College that they have changed their position in relation to the covenants attached to the loan.
- In effect they were potentially declaring an imminent breach. It was anticipated that when the accounts were audited and signed off and a deficit declared that this would trigger a breach in the Lloyds loan covenant. This in turn could trigger a breach in the Barclays loan.
- Members were also informed that the predicted deficit had worsened since last reported.
- Members were informed that the banks have allowed for a deficit year on year by not taking into account FRS17. The most significant factor that has impacted on the budget in year is the reduction in the Adult Skills Budget and overall funding reductions.
- Members were informed that the pay to non-pay ratio was still being worked on.
- The cash days in hand were expected to improve, however the cash balance was drawn to Members attention as a cause for concern.
- Members informed the Board that robust discussions had been undertaken at Finance & Resources Committee around these issues.
- Members requested information on the next steps with regard to the new information from Lloyds?
- The Director of Finance stated that he had plans to meet with the area director. Members asked for a detailed explanation of the full impact of this default. They were informed that this would incur a cross default on the remaining loans.
- Should the Lloyds loan be paid back in advance of any breach that could potentially remove any cross breach, however, agreement would need to be sought from all lenders on this course of action.
- Noted that this option was only available if the Tower Block receipt were received in the Autumn Term.
- Members stated that in their (relevant) experience that Lloyds were seeking to reduce their exposure on their loan books hence the

change in approach.

- Member's discussed various repayment scenarios (should the Tower Block receipt be realised).
- Members advised that the break costs could be significant should the College be forced to re-negotiate re-structuring of the loans and that pre-emptive action would be to the Colleges advantage where possible.
- Members also advised that the College should commission an independent audit of the interest rate calculation used for any re-structuring to ensure that the College was being treated fairly. Noted.
- Members queried what action would be taken by the FE Commissioner if the loan was breached. The Director of Finance said this was not known at the present time.
- Members asked if this would trigger any action from OFSTED or the Pension Fund Authority. The Director of Finance stated that this was not known at the present time.
- Members requested that these queries be considered and answers provided at the next Finance and Resources meeting. Agreed.
- Members requested that the Vice Principal Planning and Resources and the Director of Finance devise a strategy for managing both the potential default position and in the event of the Tower Block receipt being available (or not) prior to the next meeting of the Committee.
- Members requested that an additional Finance and Resources Committee set close to the start of term to assess the financial position prior to the final end of year report. Agreed.
- The Director of Finance informed Members that there were still 3 periods to the end of the year, although period 10 looked relatively similar to the report period 9.
- Members were informed that there were some small pockets which may improve in the last two periods. However, Members were also advised that the management accounts did not yet reflect any potential losses related to the anticipated loss of the Highly Trusted status currently held by the College.
- Members were informed that this could be potentially as high as £470k. The Director of Finance confirmed that this could impact in the current financial year.
- Members requested that the strategy be reflective of a financial recovery plan with detailed risk analysis that the F&R Committee could monitor on a monthly basis. Agreed.

Director of Finance

Director of Finance

Clerk

Director of Finance & VP Planning & Resources

**Management Accounts RECEIVED.**

**ii) Budget 2015/16 and Financial Forecast for 2016-17 – CONFIDENTIAL.**

- This item is subject to a separate confidential minute.

**iii) Capital PROJECTS & Estates Report – Presented by the Interim VP Special projects.**

- This item is subject to a separate confidential minute.

**iv) Pay Award – Update from the Principal**  
Items discussed:

- Members were informed that there were no recommendations from

the Principal or the Remuneration Committee for any staff.

- Members were advised that the national recommendation from the AoC was 0% for the next year. Noted.

**Update RECEIVED.**

**13. Risk Management Report 2014/15 and Revised Risk Management Policy** – Presented by the VP Planning & Resources.

Items discussed:

- Members noted that a new risk around the PREVENT agenda had been included. Noted

**Report RECEIVED and Risk Management Policy APPROVED.**

**14. Audit Committee**

**i) Strategic Plan for the audit of the Financial Statements for 2014/15 -** Presented by the Director of Finance & the Chair of the Audit Committee.

Items discussed:

- The Chair of the Audit Committee confirmed that the fees charged were the same as the previous year and the Strategic Plan was recommended by the Committee.

**Strategic Plan for the audit of the Financial Statements APPROVED.**

**ii) Internal Audit Strategic Plan** – Presented by the Director of Finance.

Items discussed:

- The Chair of the Audit Committee informed Members that the Committee had requested significant revisions to the original plan presented and that these changes had now been incorporated.

**Internal Audit Strategic Plan APPROVED**

**15. Minutes of Meetings**

**i) Audit Committee Minutes 10/06/15 – RECEIVED**

**ii) Quality & Performance Committee Minutes 01/06/15 – RECEIVED**

**iii) Finance and Resources Committee Minutes 17/06/15 – RECEIVED**

**iv) Search & Governance Committee Minutes 17/06/15 - RECEIVED**

**v) Health, Safety & Environment Committee Minutes – RECEIVED**

**16. Any Other Business**

- FE Commissioners Letter – **Received and noted**
- Annual Schedule for 2015/16 – **Received, noted that the S&G Committee for the Autumn Term will be re-scheduled.**
- Additional meeting requested for September 2015 – Finance & Resources Committee – **Date to be circulated.**
- Additional meeting requested for Quality & Performance Committee – **Date to be circulated.**
- **Governors Leave of Absence – Member were informed that the Chair was recommending that a leave of absence be granted to Lucy Ashman from the 13<sup>th</sup> December to the 1<sup>st</sup> March 2016 in order for her to pursue an overseas work opportunity. APPROVED.**

**19. Date of the Next Corporation Meeting**

Tuesday 13<sup>th</sup> October 2015 at 5pm at the Merton Campus.

Signed By: \_\_\_\_\_

Date: \_\_\_\_\_