

SOLIHULL COLLEGE

MINUTES OF THE CORPORATION MEETING HELD ON WEDNESDAY 4TH JULY 2018 AT THE BLOSSOMFIELD CAMPUS

PRESENT:

John Bolt (Chair)	Pat Knauff
Stan Baldwin	Lucy Lee
John Callaghan (Principal)	Sukhy Nijjar
Antoinette Farrell-Jones	Geraldine Swanton
Stevie Gray	Sally Tomlinson
Mark Hayes (Staff Governor)	Matthew Warburton (Staff Governor)
Katie Higgins	Eric Wiles

IN ATTENDANCE:

- Lindsey Stewart (Deputy Principal)
- Heather Evans (Vice Principal Finance)
- Pete Haynes (Vice Principal HR and Student Services)
- Adam Thomas (Director of Student Services)
- Sue McGregor (Dean of HE & Curriculum Innovation)
- Theresa Lynch (Clerk to the Corporation)

The Chair expressed welcome to Antoinette Farrell-Jones and Katie Higgins to their first Corporation meeting.

1. **Apologies for Absence**

Apologies for absence were received from, Barbara Hughes, Paul Large, Betty LeFeuvre (Staff Governor), Adriana Mihai (Student Governor), Sukhy Nijjar, Sue Strawford and Beth Selwood (Vice Principal Teaching, Learning and Assessment).

2. **Declarations of Interest in relation to the Agenda**

There were no new declarations of interest noted.

3. **Minutes of the meeting held on 11th June 2018**

The minutes of the meeting held on 11th June 2018 were **agreed** as a true and accurate record and signed by the Chair.

3.1 Matters Arising - Creative Alliance EOI – The Principal explained that Creative Alliance had not yet identified their preferred partner and until this was done the College would not produce to the due diligence phase. An update would be provided in the Autumn term 2018.

3.2 Institute of Technology Update - The Deputy Principal explained that further guidance regarding the next stage would be available during summer 2018 and that implementation was expected to take place in September 2019.

4. **Strategic Plan and Annual Priorities 2018/19**

The Chair presented the Strategic Plan 2018-20 and the Annual Priorities for 2018/19 and it was **agreed to approve** the contents.

5. Financial Plan 2018-20 and Budget for 2018/19

The Vice Principal Finance presented the Financial Plan 2018-20 and Budget for 2018/19 and discussion took place regarding apprenticeship funding and income. Being an important government agenda it was hoped that this would be a growth area. It was, however, acknowledged that this was a key risk for the College. It was noted that the Audit Committee had a presentation by the Director Employer and Skills regarding the actions being taken to mitigate this risk.

Q. How effective was the zero-based budgeting exercise?

A. This process is effective and provides a sound basis for management and monitoring of budgets throughout the year. Managers are part of the process so understand what is in their budget and this ensures transparency and ownership.

It was noted that the Adult Education Budget would be paid via the Combined Authority in future and it was anticipated that no funding changes would occur before 2019. Thereafter, it was hope that any changes would be positive for the College.

Q. What will happen regarding Stratford upon Avon College's AEB allocation, being outside the Combined Authority?

A. They would continue to be funded by the EFSA with the split CA 78% and EFSA 22% for the College as a whole.

Discussion took place regarding the 2018 pay award and current suggestions in the sector. It was noted that the current proposal was 5%, having reduced from 8%. This took into account the fact that many colleges in the sector have had a pay freeze for a number of years. It was noted that this had not been the case at Solihull College and that salaries for Stratford upon Avon College would be harmonised in September 2018.

Detailed discussion took place regarding the use of EBITDA or maintaining a surplus and it was noted that as a measure of performance health it was more appropriate to use EBITDA as a key performance indicator.

Q. Is it possible to provide an estimate of the investment to date in the merger with Stratford upon Avon College?

A. It was estimated to be in the region of £5m and the College was still able to maintain good financial health and continue to invest. The Vice Principal Finance explained that the College had achieved income for TGH of £4.5m, had a 2 year funding guarantee from the EFSA, costs were controlled well at the College and the AEB allocation was being maintained through sub-contracting, although this strategy would be re-visited in the Autumn term 2018.

It was **agreed to approve** the Financial Plan for 2018-20 and Budget for 2018/19 as presented.

6. Contribution Analysis Report 2017/18 and 2018/19

The Contribution Analysis Report for 2017/18 and 2018/19 was noted and the Chair explained that this report was a good tool for identifying strong and weak areas, although it was noted that the contribution for some areas was low due, but other factors meant the provision was maintained.

It was also noted that the contribution report was a good tool for supporting managers to monitor and, where possible, improve their financial performance.

7. Treasury Management Report and Strategy Review

The Vice Principal Finance presented the report and the following were **approved**:

- The Treasury Management Policy;
- That the College maintains a minimum cash balance of £6m and increases the cash placed on short term deposits to 4 x £2m over the next 12 months;
- To agree in principle to repay the Lloyds loans, to be confirmed following the outcome of the Stratford campus feasibility study.

8. Dashboard 2017/18 Update and PMR for May 2018

The Deputy Principal explained that the student number dashboard now included Stratford upon Avon College students. Discussion took place regarding the dashboard and use of it for monitoring College performance.

9. Notes of the Finance and Resources Expert Group meeting held on 25th June 2018

The notes of the Finance and Resources Expert Group meeting held on 25th June 2018 were received for information.

10. Staff Terms and Condition

10.1 Harmonisation of Contracts

The Vice Principal HR and Student Services explained that good progress had been made with regard to the harmonisation of contracts between the two colleges. Meetings had taken place with the unions and any issues were being discussed and resolved. It was hoped that the contracts for both support and lecturing staff would be ready for approval at the first Corporation meeting in the Autumn term 2018. **ACTION.**

Q. Are the costs relating to harmonisation of contracts included in the budget?

A. Yes all costs had been included in the budget and financial plan.

Q. What would be the timing of the introduction of the new contracts?

A. They would be approved at the first Corporation meeting in October 2018 and introduction backdated to 1st September 2018.

10.2 Recruitment and Retention Allowance Policy

The Vice Principal HR and Student Services presented the Policy and explained that it aimed to support the College in obtaining key staff in areas where recruitment and retention were particularly difficult. There was an element contained in the Policy for reviewing the position with regard to staff affected to reflect the potential changes in market conditions. Mainly this provided an opportunity to be able to attract industry staff, where there were shortages in areas of provision.

Q. Is this included in the budget?

A. The amounts required would be relatively low and would be absorbed by the current staffing budget.

Q. The allowance can be removed if market conditions change – is this correct?

A. There is an element of review where this Policy is implemented and the possibility to remove the allowance, if appropriate.

Q. Will governors be kept informed of when this Policy is used?

A. Yes, when the Policy is implemented it will be reported to Corporation for information. It is anticipated that the Policy will be used infrequently and will largely be used for senior managers and teaching staff.

It was **agreed to approve** the Recruitment and Retention Allowance Policy.

10.3 Expenses Policy for Staff and Governors

The Vice Principal Finance explained that the Solihull College and Stratford upon Avon College policies had been merged.

It was **agreed to approve** the Expenses Policy for Staff and Governors.

11. Members' Report and Financial Statements for Stratford upon Avon College to 31st January 2018 and related reports

11.1 Financial Statements Covering Report

The Chair of the Audit Committee presented the Financial Statements for Stratford upon Avon to 31st January 2018.

11.2 RSM Management Letter

The RSM Management Letter was received and **approved**.

11.3 Letter of Representation and Regularity Letters

The Letter of Representation and Regularity Letter was received and **approved**.

11.4 Regularity Audit

The contents of the Regularity Audit were noted and **approved**.

11.5 Members' Report and Financial Statements

The Members' Report and Financial Statements for Stratford upon Avon College to 31st January 2018 were received, **approved** and signed by the Chair and Principal.

12. Minutes of the Audit Committee meeting held on 18th June 2018 and related reports

The Chair of the Audit Committee presented the minutes of the Audit Committee meeting that took place on 18th June 2018 and they were received.

12.1 Internal Audit Plan for 2018/19

The Internal Audit Plan for 2018/19 was **approved**.

12.2 KPMG Financial Statements Audit Plan and Strategy for 2017/18

The KPMG Financial Statements Audit Plan and Strategy for 2017/18 was **approved**.

12.3 Data Protection Policy and Privacy Statement for Governors

The Data Protection Policy and Privacy Statement for Governors were **approved**.

12.4 Strategic Risk Register and Board Assurance Plan for 2018/19

The Strategic Risk Register and Board Assurance Plan for 2018/19 was **approved**.

12.5 ESF Business Elevator Risk Register

The contents of the ESF Business Elevator Risk Register were noted for information.

12.6 Insurance Report

It was **approved** to take out insurance with Hettel Andrews and discussion took place regarding the reduction of Professional Liability and Governors and Officers Liability from £5m to £2m and the inclusion of terrorism cover, based on advice from the insurance consultant.

13. Corporation Membership

13.1 Election of Chair and Vice Chair(s) for 2018/19

John Bolt left the meeting during the elect of Chair and Stan Baldwin and Eric Wiles left the meeting during the election for vice chairs.

The Chair presented the report and explained that a proposal was being suggested regarding the roles of Chair and Vice Chair(s) for 2018/19 and no further nominations were made. John Bolt was elected as Chair from 1st September 2018 to 31st August 2019 and both Stan Baldwin and Eric Wiles were elected as joint Vice-Chairs from 1st September 2018 to 31st July 2019 and 31st December 2018, respectively (subject to the end of term of office for Eric Wiles).

13.2 Membership Report

During consideration of their appointments in 13.3.3 and 13.3.4 Matthew Warburton and Stan Baldwin left the meeting.

The Chair presented the report and explained the proposals.

13.2.1 Instrument of Government 2a(i)

It was **agreed** that Instrument of Government 2 a(i) be amended to read: *'From 1st August 2018 up to nineteen members who appear to the Corporation to have the necessary skills to ensure that the Corporation carries out its functions under article 3 of the Articles of Government.'*

13.2.2 Staff Governor

The Chair explained that the number of staff governors would reduce from 3 to 2 with effect from 1st August 2018. Previously Betty Le Feurve, Staff Governor from Stratford upon Avon College had been appointed to December 2019 upon merger and Matthew Warburton to July 2018. Betty Le Feurve had indicated a wish to resign with effect from 31st July 2018, so it was suggested that Matthew Warburton's term of office be extended to June 2020, as he had been nominated and elected by staff in June 2017 and continued to provide staff input from the Stratford upon Avon College during the transition period to full harmonisation. It was **agreed** to extend Matthew Warburton's term of office to June 2020.

13.2.3 Appointment of Chair of the Remuneration Committee for 2018/19

The Chair explained that recent advice from the AOC indicated that it was good practice for the Chair of the Corporation not to also act as Chair of the Remuneration Committee to facilitate increased independence. It is therefore suggested that, due to being Vice Chair and with regard to his extensive governance experience that Stan Baldwin be appointed as Chair of the Remuneration Committee for 2018/19. No other nominations were received. It was **agreed** to appoint Stan Baldwin as Chair of the Remuneration Committee with effect from 1st August 2018 to 31st July 2019.

13.2.4 Add to the Scheme of Delegation, under section 2.4 Principal's delegated responsibilities

It was noted that following introduction of a common SPH contract for all members of EMT it was necessary to clarify that the day to day management of members of EMT (except the Principal) in relation to some matters was delegated to the Principal.

It was **agreed** to amend the Scheme of Delegation section 2.4 to :

'Day to day management of senior postholders (except the Principal) is delegated to the Principal in relation to approval of expenses, timing of holiday and employment/engagement externally to the College, whilst employed by the College.'

13.3 Register of Interests

The Clerk distributed the current register of interest for governors and requested updates and signatures as part of the annual review.

13.4 Skills Audit

Governors were asked to complete the skills audit document and return to the Clerk.

13.5 Interim Self-Assessment Report

The contents of the interim self-assessment report were noted and it was **agreed** that suggested actions be implemented during 2018/19.

14. Bids and Projects Report

This item was deemed confidential.

15. Property Report

This item was deemed confidential.

16. Regular Update Reports

16.1 Use of the College Seal

The contents of the Use of the College Seal report were noted.

16.2 Tender Update Report

The contents of the Tender Update report were noted.

17. **Chair's Action**

The contents of the Chair's action regarding approval of the Tuition Fee Policy for Higher Education Students were noted and ratified.

18. **Date of Future Meetings:**

Dates for 2018/19 were confirmed.

Signed: J.R. Bolt

Date: 8 October 2018

