

## SOLIHULL COLLEGE AND UNIVERSITY CENTRE

### MINUTES OF THE CORPORATION MEETING HELD ON WEDNESDAY 3<sup>rd</sup> JULY 2019 AT THE BLOSSOMFIELD CAMPUS

**PRESENT:**

John Bolt (Chair)	Pat Knauff
John Callaghan (Principal)	Paul Large
Paul Assinder	Lucy Lee
Stan Baldwin	Sukhy Nijjar
Dr Peter Bebbington	Geraldine Swanton
Badri Gargeshnari	Sally Tomlinson
Mark Hayes (Staff Governor)	Matthew Warburton (Staff Governor)
Barbara Hughes	
Angharad James (Student)	

**IN ATTENDANCE:** Lindsey Stewart (Deputy Principal)  
Heather Evans (Vice Principal Finance)  
Pete Haynes (Vice Principal HR and Student Services)  
Beth Selwood (Vice Principal Curriculum and Quality)  
Rebecca Gater (Vice Principal Curriculum and Quality from 1<sup>st</sup> Sept 19)  
Theresa Lynch (Clerk to the Corporation)

Rosa Wells (Director of Employment and Skills) - Item 5

#### 1. Apologies for Absence

Apologies for absence were received from Antoinette Farrell-Jones, Stevie Gray and Sue Strawford.

#### 2. Declarations of Interest in relation to this agenda

There were no new declarations of interest relating to this agenda.

#### 3. Minutes of the Meeting held on 20<sup>th</sup> May 2019 and matters arising

The minutes of the meeting held on 20<sup>th</sup> May 2019 were agreed as a true and accurate record and were signed by the Chair.

#### 4. Strategic Plan 2019-21 and Annual Priorities for 2019/20

The Principal explained that the Plan had been discussed at the last meeting and comments received had been incorporated. The Plan had also been discussed with College managers.

Q. The Plan read well, but a gap analysis regarding the strategic objectives and outcomes would be useful.

A. A report is produced in the Autumn term describing performance against the strategic priorities and annual priorities for the previous year.

**RESOLVED** to approve the Strategic Plan 2019-21 and Annual Priorities 2019/20.

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## 5. Institute of Technology

The Director of Employment and Skills presented the report. She explained that an expression of interest to the LEP for investment in digital infrastructure for £1m had been confirmed. It was noted that the IOT projects was progressing well and it was hoped to submit the documentation to the DfE by 15<sup>th</sup> July 2019. The DfE had expressed the need to focus on the manufacturing brief underpinned by industry 4.0.

Q. If one partner/member causes loss is the liability limited to £100k?

A. If it results in DfE clawback it is hoped that the liability will be directed to the organisation that caused the loss. Loss regarding the company is covered in clauses 4.4 and 4.5 of the Collaboration Agreement and specifies that liability would be borne by a member if they were responsible for the loss incurred.

Q. Were the employers self-selecting or approached by the partners?

A. There were a combination of approaches – established relationships with employers were used to identify some of the employer partners. The IOT wanted medium sized employers because it is this group that often find that the skills they need are not catered for in the sector, eg supply-chain companies etc. Companies like JLR, for example, already have strong relationships with large universities and other organisations in the region.

Q. Will there be distance learning opportunities?

A. Yes – the curriculum is being developed to use the Engineering Education Centre at Aston University once it is built, but further opportunities to enhance student access were being explored.

Q. Who is most involved and are there opportunity-costs?

A. Solihull College and University Centre has been leading the project through the Director of Employment and Skills. This will continue once the project is fully underway to the extent of 2 days per week and her role will be backfilled at the College. The College will continue to lead in a number of areas, including financial, so this will be reassuring in terms of ensuring financial health and compliance. The IOT Board unanimously agreed that the Director of Employment and Skills should continue to manage this project.

Q. It is important that the rest of the College does not suffer if resources is directed towards the IOT.

A. The Hub will be staffed by external personnel. Workload for those involved will be carefully managed and their role in College monitored. There are likely to be benefits for other curriculum areas through linked projects and the development of curriculum in relation to professional services and digital.

It was agreed that Chair's Action would be taken to approve the following, once the final documents were available:

- Collaboration Agreement, which gives the terms and conditions of the Partners' collaboration for the IoT and how risks will be treated;
- Deed of Indemnity to share the risks of the Hub expenditure prior to DfE approval;
- Sub-licence with the Company Limited by Guarantee (CLG) in relation to IoT branding;
- Sub-grant with the CLG, which passes on the terms and conditions of the grant funding agreement from the DfE to the members – this will be based on the capital funding agreement from the DfE;
- Deed of Guarantee with the DfE to underwrite the capital funding received.



Congratulations were expressed to the management in producing a good IoT proposal that has been accepted by the DfE, when a number of proposals had not been successful across the country.

**RESOLVED** to approve that:

- The College will be a Member/Partner of the Greater Birmingham & Solihull Institute of Technology Company Limited by Guarantee (CLG), subject to DfE approval of the IoT;
- The business plan for the GBS Institute of Technology be adopted;
- The College pay the annual membership fee to the IoT of no more than £100,000 as a share of the set-up costs and to support central costs for the IoT for 5 years;
- The Principal be appointed as the Director to represent the College on the board of the CLG.

## 6. FE Commissioner's Letter and 10 C's of Good Colleges

This item was carried over to a meeting in the Autumn term for detailed discussion. **ACTION**

## 7. Finance Reports

### 7.1 Financial Plan 2019-21 and Budget for 2019/20

The Vice Principal Finance presented the Financial Plan for 2019-21 and Budget for 2019/20 and explained that pre-Corporation meetings had taken place to explore the contents of the Plan and Budget in more detail.

It was noted that the non-levy allocation had been increased for 2019/20, but that bureaucracy for apprenticeships in general remained an issue for both colleges and employers. The Principal explained that representatives from the Institute of Apprenticeships and Technical Education had visited the College to discuss the issues that colleges and employers are experiencing and that this connection had been made due to the success of the IoT.

Discussion took place regarding HE recruitment and it was noted that aggressive marketing by HEIs and the fact that some students were opting to do Higher Apprenticeships was having an impact on student numbers.

Increases in pension costs were considered, including the actuary re-valuation that was due in 2020. It was noted that the pension costs could be paid in advance as this could bring a large saving overall. The impact on increased subscription and licence costs was noted and the impact these and other increases were having on the financial position. Key KPIs – EBITDA and cash position should be monitored closely by governors and managers.

The Principal explained that the FE Commissioner was conducting visits to colleges of concern and out of 70 visited, 30 formal college reports had been published.

Q. Why does the contribution go up for Stratford campus?

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A. A lot of work has been done to reduce costs and improve income at Stratford. Some staff had not been replaced and voluntary severance had been offered throughout the year, as well as more efficient models of delivery in areas like catering. Targets set are modest and will be dependent on recruitment

Q. The financial position for the College is strong for the sector but increases in the pay % is a concern. Future financial planning is worrying, with cashflow for 2022/23 being inadequate for current debt levels. Is there action we should be taking now to address this in the medium term?

A. Action is being taken now to address the future financial position. In terms of covenants there are unlikely to be issues with the Natwest loan, but if the College does not pay off the Lloyds loans the covenants could be an issue. It was noted that the College Principals had written to the government as part of the Love our Colleges campaign to highlight the growing crisis in FE.

Management were going to push the 'one more/one less' scheme – highlighting the positive impact of having one more student in each group in terms of funding and equally the impact of one student leaving from each group and trying to promote the growth in all groups.

Q. These are very tight KPIs – although this is a factor relating to Stratford upon Avon refurbishment – when are we likely to see the return on the investment?

A. It will take 3-5 years for Stratford upon Avon to really flourish. A lot of work had already been done to make the campus more efficient financially. Provision at the campus offered students great quality education, however, it was important to ensure a strong market and to provide support for students, for example, transport to rural areas etc.

Q. Is the financial crisis on the government's agenda? Has the Augar Review given the sector a higher profile?

A. Although times are uncertain, the Augar Review did raise the profile of FE, but with changes in the government it is difficult to know what emphasis will be placed on the sector in future.

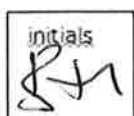
Q. HE student numbers seem to reduce and then increase – will the IOT have an impact?

A. It is anticipated that the IOT will have a positive impact, but some of that provision will be apprenticeships. There will be an upturn in 16-18 demographics in Birmingham, so this is likely to have an impact on HE numbers. Degree-awarding powers are being considered. HE number predictions are very cautious.

Q. The financial plan will be approved now, but it is a concern that in three years time the financial position will be much more difficult. When should the Corporation consider the scenarios including potential funding rates and student numbers/class sizes?

A. The Plan is considered twice annually and it is important to be discussing forecasts on a regular basis. Further, there will be an opportunity to discuss possible scenarios at the Governors' Development session in January 2020.

The Vice Principal Finance explained that the College was seen as an example of good practice regarding budget planning and that external visitors did visit to discuss how this is done. The College worked hard to manage sector risks and it was very important to regularly review the position and forecasts going forward and to take actions, as necessary. It was confirmed that at the January development morning and the February Corporation meeting the long-term sensitivities would be discussed and to consider what kind of College can survive in the current FE environment, including the contribution difficulties relating to



AEB income.

Q. As reliance on government funding is so uncertain, are there any entrepreneurial opportunities the College could take advantage of?

A. That would be full costs work and the College does do some of this, but it is quite limited, because apprenticeship reforms have had a big impact on demand. Opportunities are continually explored, but volume is difficult to secure.

The College was congratulated on the improvements at Stratford upon Avon College, having a great reputation and securing good links with employers and other organisations across the region and beyond.

**RESOLVED** to approve the Financial Plan 2019-21 and Budget for 2019/20.

## **7.2 Dashboard: Finance and Resources and PMR for April 2019**

The contents of the dashboard and PMR for April 2019 were noted.

## **8. Contribution Analysis 2018/19 and 2019/20**

The contents of the contribution analysis report for 2018/19 and 2019/20 were noted.

## **9. Repayment of Loans**

The Vice Principal Finance presented the report and discussion took place regarding the implications of repayment of the Stratford upon Avon College loans with Lloyds Bank. Repayment had been included in the financial plan.

**RESOLVED** to approve repayment of the Lloyds loans to a value of £2,350K (as at 30<sup>th</sup> April 2019).  
[Actual @ Jul 2019: £2,521K, including £244K penalty payment]

## **10. Bids and Projects Report**

The Vice Principal Finance presented the report and discussion took place.

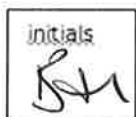
**RESOLVED** to approve up to £50k up-front expenditure on the Construction Skills and Outpost LEP bids.

## **11. Property Report**

*Barbara Hughes left the meeting during consideration of the Sanctuary Housing.*

The Vice Principal Finance presented the report and a verbal update was provided regarding negotiations with Sanctuary Housing. The discussion was deemed confidential due to a conflict of interest for Barbara Hughes.

*Confidential section.*



It was noted that changes regarding the exit for TGH had been proposed and that the plans were available for scrutiny.

## 12. IT Strategy

The Vice Principal Finance presented the IT Strategy showing all the various elements of IT requirements. It was noted that investment plans had been costed into the budget and priority areas were RAG rated, as appropriate. She explained that it would be possible to discuss the Strategy in more detail in the Autumn term at an Expert Group or at Audit Committee, depending on governors' preference. **ACTION.**

**RESOLVED** to approve the IT Strategy.

## 13. HR Policies– Collective Agreement

The Vice Principal HR and Student Services presented the policies and guidelines at 13.1, 13.2 and 13.3 below, and noted that both UCU and Unison had been consulted regarding their content. No issues had been raised.

### 13.1 Disciplinary Policy

The contents of the Disciplinary Policy were noted.

**RESOLVED** to approve the Disciplinary Policy.

### 13.2 Paternity Guidelines

The contents of the Paternity Guidelines were noted and it was confirmed that they included the rights of fathers to have 2 weeks full pay. There had been 30 requests in the last five years.

**RESOLVED** to approve the Paternity Guidelines.

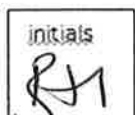
### 13.3 Shared Parental Leave Policy

The contents of the Shared Parental Leave Policy were noted and it was confirmed that they were in line with statute and emphasised family-friendly values.

**RESOLVED** to approve the Shared Parental Leave Policy.

## 14. Staff Survey Presentation

The Vice Principal HR and Student Services presented the information contained in the staff survey. The survey was based on the Ofsted survey with 2 additional questions. It was noted that professional development and workloads had been raised. These were on-going issues and were being addressed. An update would be provided at a future meeting. **ACTION.**



## 15. Higher Education Update

### 15.1 Augar Review

The contents of the Augar Review report were noted.

### 15.2 Access and Participation Plan

The Principal thanked governors for their comments and input to the Access and Participation Plan and it was noted that the Chair had approved the Plan, prior to submission by the deadline of 30<sup>th</sup> June 2019.

Q. Will governors receive reports on achievement gaps and actions being taken?

A. Yes, the College is setting up a dashboard to monitor the closing of any identified gaps

**RESOLVED** to ratify the Access and Participation Plan for 2020/21, following Chair's Action approval.

### 15.3 Notes of the HE Expert Group meeting held on 26<sup>th</sup> June 2019

The notes of the meeting of the HE Expert Group held on 26<sup>th</sup> June 2019 were received for information.

## 16. Evaluation of Teaching, Learning and Assessment – End of Year Report

The Vice Principal Curriculum and Quality presented the report and confirmed that feedback from staff had been positive with regard to the operation of the Teaching, Learning and Assessment Policy during 2018/19. Staff found the process to be developmentally beneficial. In-year distance-travelled would be monitored through the series of learning walks during 2019/20. Key areas for development had been identified as effectiveness of target-setting and the quality of marked work. These areas would be closely monitored in 2019/20.

## 17. Student Survey Results 2019: Progression and FE Choices Presentation

The Vice Principal Curriculum and Quality presented the report and explained that the 15 questions could be compared with the 2018 survey to show changes and progress, as appropriate. There had been 2,000 student responses to the 2019 survey.

Improvement had been shown in 9 out of 15 questions, with a 1% dip regarding suitability of classrooms. Four questions had improved by 3% relating to:

- Feedback of learners' work;
- Student happiness with the quality of teaching;
- Perception of stretch and challenge by students; and
- Value of work experience by students.

It was noted that there had been an improvement in the FE choices survey, showing good levels of satisfaction.



## 18. CPD Update

The Vice Principal Curriculum and Quality presented the report and noted that £25k had been invested in supporting staff to undertake higher qualifications. This investment was in line with College priority areas, although there was some autonomy for staff to choose training too. Staff were keen to embrace the opportunity of 5 days industry up-skilling across the College. All staff undertake mandatory training in a number of key areas.

## 19. Maths and English Expert Group notes from 26<sup>th</sup> June 2019

The Chair of the Group presented the minutes and the contents were noted.

## 20. Minutes of the Meeting of the Audit Committee that took place on 17<sup>th</sup> June 2019 and related reports

The Chair of the Audit Committee presented the minutes and the contents were noted. She explained that there had been a very useful discussion relating to cyber security and the Committee had been informed that the National Cyber Security Centre had visited the College and provided assurance regarding College processes and systems. A mock phishing exercise had taken place that had been useful in identifying controls in place, as well as improvements that could be made.

### 20.1 Strategic Risk Register and Board Assurance Framework

The Chair presented the Strategic Risk Register and Board Assurance Framework and it was noted that the key College risks relating to HE and apprenticeships had been incorporated to all strategic area risk registers.

**RESOLVED** to approve the Strategic Risk Register and Board Assurance Framework.

### 20.2 Internal Audit Plan 2019/20

The Chair presented the Internal Audit Plan for 2019/20 and noted that it included an audit for the Stratford upon Avon campus capital project.

**RESOLVED** to approve the Internal Audit Plan for 2019/20.

### 20.3 Policy and Procedure to Prevent and Respond to Fraud, Corruption and Bribery

The Chair presented the Policy and Procedure to Prevent and Respond to Fraud, Corruption and Bribery and noted that this was interim approval subject to production of an anti-Fraud Strategy that would be presented in the Autumn term 2019.

**RESOLVED** to approve the Policy and Procedure to Prevent and Respond to Fraud, Corruption and Bribery, subject to the production of an Anti-fraud Strategy.





## 20.4 KPMG Financial Statements Audit Plan and Strategy 2018/19

The Chair presented the KPMG Financial Statements Audit Plan and Strategy 2018/19 and noted that there was a reference to reviewing senior staff pay that would be addressed during the audit.

**RESOLVED** to approve the KPMG Financial Statements Audit Plan and Strategy 2018/19.

## 21. Health, Safety and Safeguarding Report

The Vice Principal Finance presented the report.

## 22. Membership

The Chair presented the report and it was noted that

- Antoinette Farrell-Jones and Sue Strawford had resigned as governors with immediate effect.
- Terms of office will end for student governors: Angharad Jones and Tyreece James. A student governor election will take place in the Autumn term 2019 for two student governors – one HE and one FE, as Katie Higgins will cease to be a governor in December 2019.
- The term of office for the External member of Audit Committee, Tony Worth's would end July 2019.

A Search and Governance Committee would take place in September 2019. ACTION.

The following appointments were suggested for 2019/20.

**RESOLVED** to approve the following appointments:

- Stan Baldwin as **Vice Chair** with effect from 1<sup>st</sup> August 2019 to 31<sup>st</sup> July 2020;
- Lucy Lee to continue as Chair of **Audit Committee** with effect from 1<sup>st</sup> August 2019 to 31<sup>st</sup> July 2020;
- Stan Baldwin to continue as Chair of **Remuneration Committee** from 1<sup>st</sup> August 2019 to 31<sup>st</sup> July 2020;
- Barbara Hughes be appointed as a member of the Remuneration Committee;
- John Bolt remain a member of the Remuneration Committee;
- Barbara Hughes be appointed as Chair of **Search & Governance Committee** from 1<sup>st</sup> August 2019 to 31<sup>st</sup> July 2020;
- Stan Baldwin be appointed as Chair of **Quality and Progress Expert Group** (2019/20).

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