

LEEDS COLLEGE OF BUILDING

CORPORATION MEETING

Minutes of the meeting held on Tuesday 3 July 2018 at 4.00 pm in Meeting Room 1, North Street.

PRESENT:

Andrew Iveson (Chair)
Ian Billyard
Mike Berry
Simon Bray
Julia Evans
Terry Hodgkinson
Andrew Kenny
Dr Ivan Nip
Luke Norris
Peter Norris
Mark Roper
Professor Dave Russell
Rachel Smalley
Marc Townsend

IN ATTENDANCE:

Derek Whitehead (Deputy Principal and Executive Director of Curriculum & Quality)
David Pullein (Executive Director of Finance & Resources)
David Nolan (Interim Executive Director of Finance & Resources)
Craig Williams (Clerk to the Corporation)
Nancy Fearnside (PA - minutes)

**ACTION
BY AND
TARGET DATE**

1. CHAIR'S AND GOVERNORS' COMMUNICATIONS

1.1

The Chair congratulated Julia Evans on receiving an OBE.

1.2

The Chair noted that D Pullein was now on a phased return back to work and welcomed him back.

1.3

The Chair gave an update following the Selection Committee meeting for the Principal's role. Shortlisting has taken place and five candidates have been selected. An assessment day will take place on 18 July 2018, with interviews on 19 July 2018. A Special Board meeting will then take place on 19 July 2018 to approve the recommendation of the Selection Committee; this will be a single item agenda.

1.4

The Chair noted that N Fearnside had sent out the Governors' Communication on 12 June 2018 and B Tanna had sent out an update on the Portal on 13 June 2018.

1.5

The Chair noted the recent student successes, which were a great result for the College:

1. CHAIR'S AND GOVERNORS' COMMUNICATIONS (continued)

1.5 (continued)

SkillBuild Regional

- James Hattersley (Carpentry – Senior) – Silver medal
- Luke Kerrigan (Bricklaying – New Entrant) – Silver medal
- Tim Smith (Bricklaying – Senior) – Silver medal
- Ryan Lill (Plastering – New Entrant) – Silver medal
- Luke Palmer (Plastering – Senior) – Gold medal
- Jake Emery (Dry Lining) – Gold medal
- Carla Dibb (Dry Lining) – Silver medal
- Callum Pearson (Wall & Floor Tiling – Senior) – Gold medal

SkillPlumb Regional

- Joe Nicholson – Silver medal

Redland National Apprentice of the Year

- Jay Webster

The Clerk confirmed that a letter congratulating students on their achievements has been sent on behalf of the Board.

2. APOLOGIES FOR ABSENCE

Apologies for absence were received from Derek Packer and Kathryn Wilkinson.

3. DETERMINATION OF ATTENDEES / OBSERVERS

The Corporation agreed attendees / observers at the meeting as per the attendance list above.

4. DECLARATION OF INTEREST

Staff members declared an interest in Item 7.

5. MINUTES OF THE LAST MEETING

The minutes of the meeting held on 22 May 2018 were approved as a true record, with the exception of the following:

- Item 10 (paragraph 4) – this should read “a vertical merger”.
- Item 14 (paragraph 3) – this should read “19 July 2018”.

6. MATTERS ARISING

6.1 Ref Min 6.4

Actioned.

6.2 Ref Min 7

Actioned.

6.3 Ref Min 11

Taken under Item 13.

6. MATTERS ARISING (continued)

6.4 Ref Min 11

Actioned.

6.5 Ref Min 11

Taken under Item 13.

6.6 Ref Min 14

Actioned.

7. CONFIDENTIAL ITEM

See attached minute.

8. FINANCIAL PLAN COMMENTARY / 2 YEAR FINANCIAL PLAN, INCLUDING THE BUDGET FOR 2018/19

D Pullein noted that the full commentary had been circulated for information. He emphasised that the issues faced by the College related to FE generally, not just LCB. 16-18 funding has been frozen for a number of years and rising costs on pensions, exams, IT software etc. are all impacting on the College's budget. Currently 15% of all Colleges are in inadequate financial health and the DfE expect this to rise to 40/45%, although there will be less Colleges due to mergers.

D Pullein gave a presentation on the key points.

The financial objectives were noted.

- Bank Covenants – if the College falls into inadequate financial health the bank loan would be renegotiated.
- Hunslet Phase 2 – this is currently within budget.
- Satisfactory Financial Health during the build project – this should be achieved.
- Group Key Performance Indicators; these are monitored on a monthly basis.
- Reduce the amount of Debtors over 120 days.

D Pullein went through the Government Grants for Education & Skills Funding Agency (ESFA) 16-18 and explained the lagged funding process; the allocation for 2018/19 will be approximately £450k less due to not recruiting enough 16-18 year olds in 2017/18.

Apprenticeship Targets – some growth is planned on Levy Apprenticeships. P Norris noted that this was around 10%. D Whitehead stated that it was planned for SMEs to be included on the non-Levy Apprenticeship Service from April 2019 but noted that there has been some discussion that this may be delayed and / or a transition period. The 10% contribution and triggering payments could be a risk to cash flow and numbers.

The Statement of Comprehensive Income was noted and the surplus trading position anticipated in 2017/18 is £835k, although a trading deficit of (£241k) was noted. 2018/19 showed a trading deficit of (£226k) with 2019/20 projecting a £141k surplus.

8. FINANCIAL PLAN COMMENTARY / 2 YEAR FINANCIAL PLAN, INCLUDING THE BUDGET FOR 2018/19 (continued)

The Balance Sheet was noted. T Hodgkinson queried the revaluation reserve and D Pullein explained this. M Roper noted the College reserves and the reduced cash days in hand and queried the risk of the College running out of cash. D Pullein emphasised that achieving recruitment numbers is a key issue.

The financial health score for 2017/18 is 170 (Satisfactory) and should be maintained in 2018/19, rising to 180 (Good) in 2019/20.

The Key Performance Targets for 2018/19 and 2019/20 were noted.

Bank Covenants are critical and D Pullein explained the figures used to measure these.

D Pullein outlined the various risks and opportunities associated with the Financial Plan.

The Corporation approved the 2 year financial plan, including the budget for 2018/19.

9. CHECKLIST FOR FINANCIAL PLAN COMMENTARY

D Pullein presented the Financial Planning Checklist recommended by the ESFA; he confirmed that this does not need to be submitted to the ESFA.

The Corporation noted the Checklist for the Financial Plan Commentary.

10. PROPOSED IMPAIRMENT RELATED TO ACHIEVE THROUGH LEARNING LIMITED (ATL)

D Nolan presented Item 9 and gave a brief overview.

The impairment review, recommended by the College's external auditor, has taken place. The investment is valued at £4,538k and there is no residual business activity to suggest there is any value to remain on the balance sheet. The external auditor concurs with this and therefore it is suggested the full value should be written down. The impact of this only affects LCB's accounts; it does not affect ATL nor the Group's position.

The Corporation approved the adjustment to the 2017/18 accounts, following the advice of the external auditor, Grant Thornton.

11. UPDATE ON HUNSLET PHASE 2

I Billyard reported that the project is still progressing well; it is currently three weeks behind and completion date project for end of October 2018. A four day extension was approved, due to recent inclement weather. The Project Manager felt that realistically the project is five weeks behind.

Progress to date on the various activities is as follows:

- Progress – planned 55%, actual 41.5%
- Actual progress since last period – 32.6%
- Substructure & Planning – planned 100%, actual 84%

11. UPDATE ON HUNSLET PHASE 2 (continued)

- Roof Works – planned 87%, actual 88%
- Building Envelope – planned 82%, actual 62%
- Internal Works – planned 27.5%, actual 17%
- M&E – planned 31%, actual 15%
- Mains service connections – planned 44.4%, actual 87%
- External Store – planned 100%, actual 20.4%.

T Hodgkinson queried the liquidated damages; D Whitehead confirmed that this was £15k per week and reported on contingencies that have been put in place to reduce any impact on students / stakeholders.

M Roper queried the four day delay and asked if this was at no cost; this was confirmed.

The Clerk noted that the monthly project reports would be uploaded on to the Governors' Portal for information and reminded Governors that a site visit has been arranged for 5.15pm after the next Capital Working Group meeting on 10 September 2018

The Corporation noted the update on Hunslet Phase 2.

12. STRATEGIC FRAMEWORK SUMMARY FOR 2018/19 – 2020/21

D Whitehead presented the Strategic Framework Summary for 2018/19 – 2020/21. This sets out the main targets and summarised the Three Year Development Plan, showing progress from one year to the next. The Summary has been agreed with the Executive Team and Senior Management Team.

M Berry stated that he liked the format and to see reporting that shows progress against targets; he felt that a number of items could be reported on statistically. D Whitehead confirmed that the 2017/18 Annual Operational Plan would be updated once outcomes are known and presented to the Board. It was suggested that a sheet could be prepared showing key targets and progress made in year for 2018/19.

DW
Nov. 2018

The Corporation approved the Strategic Framework Summary for 2018/19 – 2020/21.

13. PERFORMANCE MANAGEMENT REPORTS (AS AT 6 JUNE 2018)

D Whitehead presented the Performance Management Reports for 2017/18 (as at 6 June 2018) and gave a brief overview.

Education & Training: Retention overall for 16-18 is 89.7% (+0.2% at the same period last year) and 19+ is 95.7% (-0.4% at the same period last year). Details of withdrawals were noted; 170 16-18 year old students have withdrawn after the qualifying period, which has not helped the College's financial situation.

13. PERFORMANCE MANAGEMENT REPORTS (AS AT 6 JUNE 2018)

(continued)

Apprenticeships – Overall Best Case Achievement Rate (OAR) is currently 80.4% (+0.4% at the same period last year) and Timely Achievement Rate (TAR) is 78.1% (+4% at the same period last year). D Whitehead emphasised that this is dependent on all elements being achieved across the framework, including Maths & English as appropriate, and explained actions taken to ensure optimisation of achievements.

Higher Education remains high at 93.6% (+2% at the same period last year). Retention on 14-16 Skills Academy is currently 97.4% (-2.6% at the same period last year).

Attendance at College level is 86.4% (against target of 90%) and overall Skills for Life (Maths & English), including Apprenticeships, is 80.04% (-0.74% on the previous month). Maths & English on Study Programmes only is 76.41% English and 77.10% Maths.

College level Punctuality is 95.16% (against target of 97%); Skills for Life Punctuality is 91.56%.

Predicted Timely Achievement Rates for Maths & English have been split out from the vocational, which is looking very strong again this year. D Whitehead explained predicted Maths & English was lower than expected but mainly dependent now on how well students have performed in GCSEs and ongoing Functional Skills examinations.

Examination data was noted; this shows a +2% improvement on attendance for Maths and a +9% improvement for English, D Whitehead noted that the various intervention strategies have had some impact.

T Hodgkinson noted the low results in GCSEs and D Whitehead explained the strategies that the College has put in place and increased numbers involved in GCSEs. He also explained the low starting points of some students and reassured Governors that progress being made by students is tracked a lot more robustly. Improvements have been seen in attendance, for example English exams was up 9% on previous year.

Achieve Through Learning Ltd

Education & Training 16-18 Retention was noted; this was trialled this year and is unfunded. A decision has been taken by the ATL Board not to take any future new starts in this area due to the poor retention. 19+ retention is 91.2% (+9.6% at the same period last year).

Apprenticeships – OAR is 82.4% (-2.9% at the same period last year) and TAR is 67.6% (-8.2%).

D Whitehead noted that overall it is generally a positive picture; we now need to optimise Achievement / Pass rates for all those retained. The recent restructure at ATL has been risk managed by D Whitehead and the Operations Manager (A Heseltine) to ensure students / Apprentices are not disadvantaged by staff leaving.

13. PERFORMANCE MANAGEMENT REPORTS (AS AT 6 JUNE 2018)

(continued)

M Berry noted that the predicted timely achievement rate for 16-18 Education & Training was 86.4% (+5.5% on the previous year), however Maths & English overall only shows 57.6% which is a decline on 2016/17.

M Berry stated that this was the second year of the Maths & English plan and asked if results were heading for a decline this year. D Whitehead stated that previously students were not necessarily on the right course / level, however this has been a key priority this year. He emphasised that the results are still predicted and the team are working hard to optimise achievement rates in Maths & English.

M Berry asked where these results fit within the three year plan. D Whitehead stated that it is not where we wanted to be but our target to reach National Rate in 2018/19 is still potentially achievable. He explained that a number of staff have left in this area and some have been placed on Performance Improvement Plans. Too much Maths & English Teaching & Learning is BRAG rated Amber or Red and embedding of the new GCSEs is still ongoing. D Whitehead felt that this would pick up moving forward.

M Berry suggested that an explanation / review was required next term. D Whitehead stated that a detailed summary would be available, once outcomes are known from both the GCSE summer results and Functional Skills, for the September Board as last year.

The Clerk noted that presentations are made to the Board on various themes and English & Maths is currently planned for the November Board.

The Chair reported that he had met with the Chair of Leeds City College and they have made improvements in English & Maths. They have offered to share best practice with the College and the Chair suggested that this could be progressed. D Whitehead noted that visits / meetings have taken place with other colleges, eg Grimsby College and Oldham College, to share best practice. The College is also involved with Kirklees College on a project regarding Teaching & Learning including Maths & English. D Whitehead stated that a bid is being progressed for the Strategic College Improvement Fund, to be submitted by the end of July 2018.

D Whitehead emphasised that the starting points of individual learners and progress in year is now being thoroughly tracked.

The Chair queried the number of withdrawals on Education & Training and D Whitehead confirmed that this was similar to the previous year but noted that there was no key theme as to why students were leaving and explained some of the reasons.

The Corporation noted the Performance Management Reports as at 6 June 2018.

14. OBSERVATION OF TEACHING, LEARNING & ASSESSMENT REPORT FOR 2017/18

D Whitehead presented the Observation of Teaching, Learning & Assessment (OTLA) Report for 2017/18 and gave a brief overview.

The College adopted a new BRAG (Blue, Red, Amber, Green) rated OTLA system in 2017/18. Formal observations of teaching staff have taken place twice during Term 1 and Term 2 (November 2017 / May 2018). Additionally, peer observations took place in Term 2, together with walk-throughs throughout the year.

Key points from the report were noted as follows:

- Whole college level Teaching, Learning & Assessment was rated 87% Blue & Green in Window 1 and 88% in Window 2.
- Attendance across sessions observed was 85%.
- Construction Crafts improved to 90% Blue & Green in Window 2 (from 83% in Window 1).
- Maths & English observations were rated 52% Blue & Green in Window 1 and improved to 56% in Window 2.

T Hodgkinson queried whether the issues on Maths & English were due to the type of students being recruited. I Billyard stated that students come to the College to do a vocational qualification but as a condition of funding also have to do Maths & English. A selection process is in place, including BKSB assessment at entry, interview etc. However, if the threshold is set too high the College would no longer be inclusive.

T Hodgkinson asked where the majority of students were recruited from. I Billyard confirmed that it is mainly Leeds and surrounding areas.

D Whitehead mentioned that a review of the new OTLA format would take place and lessons learnt / changes to the OTLA observation fed back, but felt that next year's process needed to run similar to this year and build on the base line data etc., which all agreed.

M Berry noted that the reporting process is very developmental and the report detailed, highlighting key strengths and areas for improvement for each element, eg Planning, Engagement of Students etc. He suggested that details of re-observations from Window 1 to Window 2 would be useful in future.

As a member of the College's teaching team, S Bray recognised that observations are valuable and acknowledged that these need to be undertaken. However, he emphasised that these are only a 'snapshot'.

The Corporation noted the Observation of Teaching, Learning & Assessment Report for 2017/18.

15. BUSINESS CONTINUITY ANNUAL REPORT FOR 2017/18

The Business Continuity Annual Report for 2017/18 was discussed at the Audit Committee meeting and recommended to the Board for approval. Appendix 1 showed the Top Priority Risks and those rated 14 and above (the College's Risk Appetite).

15. BUSINESS CONTINUITY ANNUAL REPORT FOR 2017/18 (continued)

M Berry suggested that Risk CC22 (Lack of storage space at Hunslet Campus) should be amended to note that Phase 2 is being progressed; D Whitehead would amend as appropriate.

The Corporation approved the Business Continuity Annual Report for 2017/18.

16. DRAFT INTERNAL AUDIT PLAN FOR 2018/19

The Internal Audit Plan for 2018/19 was presented to and discussed by the Audit Committee and is recommended for approval by the Board.

The Corporation approved the Internal Audit Plan for 2018/19.

17. AUDIT STRATEGY AND PLANNING MEMORANDUM FOR 2018/19

The Audit Plan for 2018/19 was presented to and discussed by the Audit Committee and is recommended for approval by the Board.

The Clerk noted that Appendix A (latest developments) was well worth reading.

The Corporation approved the Audit Plan for 2018/19.

18. UPDATE ON DATA PROTECTION (GDPR ACTION PLAN)

D Nolan presented the updated GDPR action plan and gave a brief overview. He emphasised that this action plan will be continuing moving forward.

P Norris queried the Data Security item and asked if the ban on USB pen drives / portable drives has been implemented. D Nolan confirmed that this is still part of the larger plan.

The Corporation noted the updated GDPR Action Plan.

19. MANAGEMENT ACCOUNTS

D Nolan presented the Management Account Position Statement as at 31 May 2018.

D Nolan stated that it is anticipated that targets would be met but emphasised that finances are getting tighter. Satisfactory financial health should be achieved at the end of the year.

AEB subcontracting is underperforming, mainly due to subcontractors not achieving their targets.

Tuition fees & contracts – some students currently do not attract funding due to the data lock issue or have not been signed up. This should be resolved by the year end.

Debtor income – outstanding debtors have fallen by £195k overall and debtors over 120 days have reduced by £70k.

19. MANAGEMENT ACCOUNTS (continued)

Part Time Hours are increasing but it is anticipated that the budget will be under by £100k by the year-end.

A Kenny queried the financial health score on Page 1 and Page 2. D Nolan explained that Page 1 showed the latest forecast outturn from the Financial Plan, Page 2 showed the projected final outcome for 2017/18.

M Berry queried the issue with data lock / students not being signed up. D Nolan explained that the key issue is students' data not synchronising with employer data on the new Apprenticeship System.

P Norris noted that the bad debt provision on the balance sheet was £934k but the debtors reported showed £682k. D Pullein explained that the difference was the allocated bad debt provision.

The Corporation noted the management account position statement.

20. UPDATE ON SUB-CONTRACTING - 2017/18

D Whitehead presented an update on sub-contracting for 2017/18.

The Corporation noted the update on sub-contracting.

21. VERBAL UPDATE ON OFFICE FOR STUDENTS (OFS) REGISTRATION

D Whitehead reported that the registration (via application submission) to move from HEFCE to OfS is being progressed and written by him / colleagues and submission would be made end July / early August 2018.

I Billyard noted that previously no charge was made to register with HEFCE but there will be an annual fee with OfS.

The Corporation noted the update on Office for Students registration.

22. GIFTS REGISTER

D Nolan noted that 11 items of gifts had been received by staff across the College during 2017/18.

The Corporation noted the report regarding the Gifts Register 2017/18.

23. LEEDS CITY COUNCIL SAFEGUARDING – ANNUAL REVIEW MONITORING (ARM) FOR 2017/18

The Clerk presented the Annual Review Monitoring return for 2017/18 which has been prepared by J Miah (Equality, Inclusion & Safeguarding Manager) and submitted to Leeds City Council.

The Corporation noted the Annual Review Monitoring return for Leeds City Council.

DATE OF NEXT MEETING

The Chair noted that a Special Board Meeting is scheduled for 19 July 2018 at 6.00pm; this will take place at Hunslet Campus.

The first meeting for 2018/19 is scheduled to take place on Tuesday 25 September 2018 at 4.00pm in Meeting Room 1, North Street.

Signed for Distribution:
(Chair)

Date:

Approved:
(Chair)

Date: