



Minutes of a Corporation Meeting held on

Tuesday 12th December 2017 at 4.00pm

Held in the Boardroom, South Building

Present: Jasmine Baguley
John Barrett
Lee Barrett
Ashley Boon
Charlotte Bosworth
Dave Busst
Peter Brammall
Stuart Brand
Anne Brennan
Stewart Fergusson.
Chris Hinde
Peter Matthews
Carl Pearson (Chair)

In Attendance: Sharon Dowling, Vice Principal Curriculum and Learning Standards
Mr Jim Edwards, Clerk to the Corporation
Ms Clare Hatton, Assistant Principal Employer Engagement and Growth
Ms Jo Lawrence, Assistant Principal Student Experience
Mr Mark Payne, Vice Principal Finance and Resources
Ms Debbie Wright, Assistant Principal People Services

1. Apologies for Absence

Apologies for absence were received from Chris Cooper and Tony Minhas.

2. Declarations of Interest

There were no declarations of interest.

3. Minutes of the last meeting held on 17th October 2017

The minutes of the last meeting held on 17th October 2017 were approved as a true record.

4. Matters arising

City of Culture

Governors noted Coventry's success in being awarded City of Culture status. This represents a real opportunity for the College to raise its profile, and Governors will be regularly briefed on initiatives and projects involving students.

5. Principal's Report

1. The Principal presented his latest report which summarised key developments on the current management restructure; progress towards the formulation of the Strategic Plan; the self-assessment review for 2016-17; financial performance; external engagement; and sector policy issues.

Organisational

2. The middle management restructure is currently being implemented with the objective of aligning staff resources to the College's key objectives and to sector policies. The Resources Committee discussed the process for the restructure at its meeting on 7 November 2017, and endorsed the consultation arrangements and timetable
3. The Strategic Plan is currently being drafted, and will be discussed at the Strategy Planning Day on 15th December 2017. Staff have been fully engaged in the consultation process via regular briefings and departmental meetings.

Quality

4. The Self-Assessment Report (SAR) for 2016-17 is in its final draft stage, and will be discussed in more detail later in this meeting. The SAR has been reviewed by a panel consisting of the Chair of the Corporation, the Principal, and a vice principal from a college rated as *Good* by Ofsted, thus providing an external independent view.

Finance

5. As discussed at the Resources Committee meeting, the College's projected out-turn and cash position is in line with the budgeted figures.
6. Discussions have been held with the West Midlands Pension Fund about securing charges over parts of the College's buildings to enable lower annual pension contributions. A more detailed report will be provided later at this meeting.

External Engagement

7. A final proposal with regard to the Apprenticeships' Joint Venture between the College, Warwickshire Colleges' Group, and North Warwickshire and South Leicestershire College will be presented to this meeting for approval.
8. Discussions with both Coventry University and Warwick University have been taking place on the planning of provision, and potential joint delivery. As initiatives develop, Governors will be informed accordingly.

Sector Policies

9. The government's Industrial Strategy has been published, and, along with the consultation on Technical Levels, will form part of the Strategy event on 15th December 2017. It is important for the College to position itself to take advantage of the opportunities arising from these policy initiatives.

Conclusions

10. Governors resolved:-

- i) to thank the Principal for his report, and to note the contents;
- ii) to confirm that the Corporation and its committees would consider key developments at each meeting.

6. Key Performance Indicators

1. The Vice Principal Finance and Resources presented the latest update against the College's KPIs and Vital Signs for Governors' consideration. These were considered by the Resources Committee and Standards Committee at their respective meetings on 7th November 2017 and 22nd November 2017.
2. There are a number of KPIs that are currently high risk because of poorer-than-expected progress; namely, Maths and English attendance (81% against the target of 85%); low uptake of work experience; 16-18 student recruitment for 2018-19; pay costs as a proportion of income (70% against the target of 67%); and departmental financial contribution. Governors sought details of the remedial actions in place to address these emerging risks, and were informed of a range of management initiatives designed to ensure targets are achieved.
3. The Vital Signs' ratings are generally positive, with no areas causing significant concern. Apart from the aforementioned KPI issues, the sole area of potential risk is employee relations, given the current restructuring exercise.
4. Governors resolved:-
 - i) to note the positive progress against the KPIs;
 - ii) to note the positive Vital Signs' position;
 - iii) to endorse the management actions in place and being planned to address those areas of risk.

7. Apprenticeships' Joint Venture Proposal

1. The Assistant Principal Employer Engagement and Growth presented Governors with a proposal to enter into a joint venture arrangement with the Warwickshire College Group (WCG) and North Warwickshire and South Leicestershire College (NWSLC) to grow apprenticeship business in the digital sector.
2. The joint venture will involve setting up a company limited by shares, and the shares will be split equally between the three colleges. The aim is for the colleges to work together to increase their 24% share of the apprenticeship market in Coventry and Warwickshire.
3. The business plan has been produced for 2017-2020, and the recommended financial model is based on the achievement of £720k, £1.8m and £2.16m income in the digital sector in the first three years respectively. This particular option requires each college to provide £25k working capital; an amount which spread over three years is relatively minor, and the return on investment is expected to be achieved by the end of year three. c325 new apprentices are expected during the three-year period.

4. The Company will be called 'CW Digital' and a Board will be established with three Directors - one from each college - and an independent non-voting Chair. A manager will be appointed through WCG, as well as any staff required to resource the company, with a responsibility for developing business with large and SME companies.
5. Governors explored the business model, and the financial basis for the business case, and queried the reason for focusing on the digital sector. In response, it was explained that this sector was a growth area in the region, and had not yet been fully developed by any of the colleges. Therefore, not only did this represent a significant opportunity for the company, but also any apprenticeship growth in this area would not affect their existing business.
6. Each college will deliver apprenticeship training, and will provide 10% of the ensuing funding to the company.
7. Governors resolved:-
 - i) to approve the establishment of 'CW Digital' as a company limited by shares to grow and deliver apprenticeships within the digital sector;
 - ii) to approve the financial model, and the payment of £25k to the company as working capital;
 - iii) to agree that regular performance reports should be submitted to the Resources Committee and the Corporation.

8. Standards' Committee Meeting

1. The Chair of the Standards' Committee provided a summary of the matters considered at the Standards' Committee meeting on 22nd November 2017.
2. A significant amount of business was conducted at the meeting, and, after due consideration, the committee is recommending that the frequency of meetings be increased to ensure closer oversight of quality performance as well as shorter, more focused agendas.
3. Governors resolved:-
 - i) to note the discussions held at the Standards Committee meeting on 22nd November 2017;
 - ii) to agree that Standards Committee meetings should be held more frequently.

12. Self-Assessment Report 2016-17

1. The Vice Principal Curriculum and Learning Standards presented a summary of the self-assessment reports 2016-17 (SAR) for City College Coventry and Henley College Coventry, as recommended by the Standards Committee at its meeting on 22nd November 2017.
2. Both former colleges have self-assessed as *Requiring Improvement*, although it is recognised that overall learner outcomes for 2016-17 are at or above national averages.

3. As mentioned in the Principal's Report, a panel consisting of the Chair, the Principal, and a vice principal from a college graded as *Good* by Ofsted, had validated the proposed gradings for each aspect of the SARs.
4. Key areas for quality improvement relate to learner progress; embedding English and Maths; learners' understanding of British Values; work experience; evidence of learning; and inconsistency of teaching, learning and assessment across the College. Actions are in place to address these areas of weakness, and Governors queried how the College was tackling inconsistency of practice. In response, it was confirmed that the middle management and curriculum restructure was intended to bring staff and processes together in a more coherent way, leading to greater consistency across curriculum areas.
5. After due consideration, Governors resolved:-
 - i) to approve the 2016-17 SARs for City College Coventry and Henley College Coventry as recommended by the Standards Committee at its meeting on 22nd November 2017.

13. HE Strategy

1. The Vice Principal Curriculum and Learning Standards presented the HE Strategy for approval as recommended by the Standards Committee at its meeting on 22nd November 2017.
2. Governors were informed that, under the Higher Education and Research Act 2017, the Higher Education Funding Council for England (HEFCE) would be replaced by the Office for Students (OfS), whose role is to ensure quality standards are maintained in all HE providers, and to award degrees and Higher National Diplomas.
3. The 2016-17 Annual Provider Review, which assesses quality in HE providers, found that both City College Coventry and Henley College Coventry met the requirements. Coventry College has begun the first phase of the 2017-18 review process, and the Chair of the Corporation has signed a declaration confirming the quality standards for HE at the College.
4. The College has formulated an interim HE Strategy to address its strategic priorities, and to align itself with the quality requirements of the OfS. The strategy will be amended as the changes introduced by the OfS in 2018 become clearer.
5. Governors resolved:-
 - i) to note the implementation of the Higher Education and Research Act 2017, and the creation of the OfS;
 - ii) to approve the interim HE Strategy for immediate adoption, as recommended by the Standards Committee at its meeting on 22nd November 2017.

14. Quality Improvement Plan 2017-18

1. The Vice Principal Curriculum and Learning Standards presented the updated Quality Improvement Plan (QIP), which draws from the SARs of City College Coventry and Henley College Coventry, and addresses key areas for improvement.

2. The Standards Committee reviewed the QIP at its meeting on 22nd November 2017, and made a number of minor amendments, which are reflected in the updated QIP.
3. Governors resolved:-
 - i) to approve the updated QIP;
 - ii) to agree that progress against the QIP should be a standing item at Standards Committee meetings.

15. Resources Committee Meeting

1. The Chair of the Resources Committee provided Governors with a summary of key items of business that were discussed at the meeting on 7th November 2017.
2. The meeting was very productive, and covered management accounts; financial KPIs; the restructuring plan; the employee engagement plan; and health and safety. No significant issues of concern were raised.
3. Governors resolved:-
 - i) to note the summary of discussions held at the Resources Committee at its meeting on 7th November 2017.

16. Management Accounts as at 31st October 2017

1. The Vice Principal Finance and Resources presented the management accounts as at 31st October 2017, which had been discussed by the Resources Committee at its meeting on 7th November 2017.
2. The end-of-year out-turn is projected to be a £425k operating deficit against the budgeted operating deficit of £1.546m. After £1m of restructuring costs are taken into account, this represents a favourable variance of £121k.
3. Pay savings and merger related non-pay savings are forecast to be £743k and £200k respectively, while other non-pay costs are currently projected to remain at budget. These savings are offset, however, by shortfalls in income totalling £895k.
4. The financial KPIs are projected to be achieved or exceeded, apart from Pay as a % of Income, which is projected to out-turn at 67.5% against the target of 66.7%. All other indicators (budget out-turn, cash balance; cash days in hand; and current ratio) are positive, and on that basis the College's financial health would be rated as *Satisfactory*.
5. Governors queried the College's compliance with its bank covenants, particularly in respect of its operational gearing, and were provided with assurance that, on the basis of current projections, there was a low risk of any breaches materialising.
6. Savings on pension contributions have not been realised as planned, because the West Midlands Pension Fund has not been permitted to take any first charges over the College's buildings.
7. Governors discussed the possibility of arranging loans from non-traditional institutions; for instance, the local authority. It was suggested that this should be explored further.

8. It was reported that the College's bid for non-levy apprenticeship funding had been successful.

9. Governors resolved:-

- i) to note the management accounts as at 31st October 2017;
- ii) to note the generally positive projections for the financial KPIs;
- iii) to note the unsuccessful outcome of the pension fund negotiations;
- iv) to agree that the Principal should explore further the possibility of securing loans from non-traditional institutions.
- v) to note the successful outcome of the bid for non-levy apprenticeship funding.

17. Audit Committee Meeting

1. The minutes of the Audit Committee meeting held on 27th November 2017 were presented, and, in the absence of the Chair of the Audit Committee, the Vice Principal Finance and Resources reported on the key items of business, apart from the Members' Reports and Financial Statements for City College Coventry and Henley College Coventry, which were considered separately later in the meeting.
2. Following a tendering process, Gateway Assure was appointed as internal auditors for a two-year period. Two members of the Audit Committee, the Vice Principal Finance and Resources and the Clerk formed the selection panel, and the Audit Committee approved its recommendation.
3. The Internal Audit Plan for 2017-18 was considered and approved at the meeting. The Plan focuses on key business risks, and a number of audit reviews will take place during the year. The outcomes of these reviews will be reported to the Audit Committee throughout the year.
4. Governors resolved:-
 - i) to note the minutes of the Audit Committee meeting held on 27th November 2017, and the business conducted.

18. Members Report and Financial Statements 2016-17 Henley College Coventry

1. The Vice Principal Finance and Resources presented Governors with the Members' Report and Financial Statements for the Year Ended 31st July 2017 for Henley College Coventry, which had been considered by the Resources Committee on 7th November 2017, and by the Audit Committee 27th November 2017.
2. RSM UK Ltd has confirmed that their opinion will be unqualified, with no substantive issues of accuracy raised.
3. The accounts show the College returned an underlying operating surplus of £198,000 before allowing for FRS102 charges of £270,000, and restructuring costs of £1.3m. £1m of the restructuring cost relates to post-merger restructuring as per the TUPE transfer conditions.
4. ESFA has assessed the College's financial health as 'Outstanding' in 2016-17, and Governors reviewed the College's performance against its financial KPIs.

5. Governors reviewed the external auditor's statement of Corporate Governance and Internal Control, as well as the assessment of the College's risk and control framework, and received assurance that an adequate and effective framework for governance, risk management and control was in place.
6. In terms of the auditors' opinion, Governors were informed that the College's Statement of Regularity, Propriety and Compliance was fairly stated, and all material transactions within the financial statements were regular.
7. The Going Concern judgement that the College had adequate resources to continue in operational existence for the foreseeable future was noted.
8. Governors resolved:-
 - i) to approve Henley College Coventry's Members' Report & Financial Statements for the Year Ended 31st July 2017 for signing by the Chair.

19. Members Report and Financial Statements 2016-17 City College Coventry

1. The Vice Principal Finance and Resources presented Governors with the Members' Report and Financial Statements for the Year Ended 31st July 2017 for City College Coventry, which had been considered by the Resources Committee on 7th November 2017, and by the Audit Committee 27th November 2017. The accounts have been prepared on the basis of dissolution on 1st August 2017, and merger with Henley College Coventry to become Coventry College.
2. RSM UK Ltd has confirmed that their opinion will be unqualified, with no substantive issues of accuracy raised.
3. The accounts show the College returned an underlying operating surplus of £692k before allowing for FRS102 charges of £441k, and restructuring costs of £157k.
4. ESFA has assessed the College's financial health as 'Satisfactory' in 2016-17, and Governors reviewed the College's performance against its financial KPIs.
5. Governors reviewed the external auditor's statement of Corporate Governance and Internal Control, as well as the assessment of the College's risk and control framework, and received assurance that an adequate and effective framework for governance, risk management and control was in place.
6. In terms of the auditors' opinion, Governors were informed that the College's Statement of Regularity, Propriety and Compliance was fairly stated, and all material transactions within the financial statements were regular.
7. Governors resolved:-
 - i) to approve City College Coventry's Members' Report & Financial Statements for the Year Ended 31st July 2017 for signing by the Chair.

20. Annual Report of the Audit Committees 2016-17

1. The Clerk to the Corporation presented Governors with the Annual Report of the Audit Committee for both City College Coventry and for Henley College Coventry for 2016-17 for their approval. The format of both reports conform to those obligations prescribed within the ESFA's Audit Code of Practice.

2. The Internal Auditors have reported that the College has adequate and effective risk management control and governance processes in place with which to manage the achievement of its strategic objectives. In addition, no material issues had arisen from the Financial Statements' and Regularity Audits undertaken by the external auditors for the year ended 31st July 2017.
3. During 2016-17, the respective Audit Committees also maintained an oversight of the implementation of each College's risk register.
4. Governors resolved:-
 - i) to approve the Annual Reports of City College Coventry and Henley College Coventry Audit Committees for 2016-17.

21. Prevent Risk Assessment and Strategy

1. The Assistant Principal Student Experience presented the College's proposed Prevent Strategy and Risk Assessment 2017-18 for approval, as recommended by the Standards' Committee on 22nd November 2017.
2. The College has to meet specific statutory requirements under the Prevent Duty, and both documents have been formulated to ensure that the College is able to identify, monitor and manage any threat of radicalisation within the organisation.
3. Governors considered the objectives within the Prevent Strategy, and also reviewed the management controls in place to mitigate risks of radicalisation.
4. Governors resolved:-
 - i) to approve the Prevent Strategy and Risk Assessment for immediate implementation.

22. Equality and Diversity Reports 2016-17

1. The Assistant Principal Student Services and the Assistant Principal People Services presented the Equality and Diversity Reports 2016-17 for City College Coventry and Henley College Coventry respectively.
2. The reports are public documents, and provide information which demonstrates the Colleges' compliance with their Equality Duty. Governors were informed that both Colleges met their statutory duties in 2016-17 under the Equality Act 2010, as well as other relevant legislation.
3. Governors resolved:-
 - i) to approve the Equality and Diversity Reports 2016-17 for City College Coventry and Henley College Coventry, and to agree that the reports should be published on the College's website by the deadline of 31st December 2017.

23. Equality and Diversity Policy

1. The Assistant Principal Student Experience presented the proposed Equality and Diversity Policy for approval, as recommended by the Standards' Committee on 22nd November 2017.
2. The policy sets out the ways in which the College will meet its legal duties under the Equalities Act 2010. There is a need to appoint a governor, who would be the nominee for the Corporation, overseeing the College's compliance with the policy, and reporting back accordingly.
3. Governors resolved:-
 - i) to approve the Equality and Diversity Policy for approval;
 - ii) to agree that the Equality and Diversity governor nominee should be appointed as soon as possible.

24. Management Restructure - Confidential Item

[Staff Governors, Student Governors and College Managers left the meeting at this point]

1. The Principal provided Governors with a confidential update on the progress in implementing the middle-management restructure.
2. The restructuring timetable and process was explained to Governors, as was the planned management structure and the number of staff at risk of redundancy. The restructure is taking place slightly earlier than originally planned, but is seen as a significant step towards establishing a single, integrated organisation.
4. Governors resolved:-
 - i) to endorse the College's revised management structure, and the implementation process;
 - ii) to request that the Resources Committee and the Corporation be fully briefed on the restructuring implementation.

25. Dates of the next meetings

The dates of the next meetings were confirmed for:-

Friday, 15th December 2017, 8.45am - 4.00pm (Strategy Away Day)
Tuesday 6th March 2018, 4.00pm, Henley Campus

25. Publication of Documents

The publication of papers was approved with the exception of Document 4 (Apprenticeships Joint Venture Proposal) because of its commercially sensitive nature, and Documents 12 and 13 (Members Report and Financial Statements 2016-17 for City College Coventry and Henley College Coventry) until they have been signed by the Chair..

Meeting opened 4.03pm

Meeting closed 6.34pm