

**EASTLEIGH COLLEGE BOARD
MINUTES OF BOARD MEETING & STRATEGIC PLANNING/TRAINING EVENT HELD ON
WEDNESDAY 17 SEPTEMBER 2014 AT 1400 HRS AT CLEANSING SERVICE GROUP HEAD
OFFICE, FAREHAM, PO15 5TT**

Present:

Mr John Course
Mrs Angela Cross-Durrant
Mr Colin Davidovitz
Dr Jan Edrich, Chief Executive
Mrs Helen Hills

Mr Steve Johnson
Mr Daniel Lowe
Mr Paul Quigley, Chair
Mrs Kathryn Rankin
Mr Paul Sahota

In attendance:

Mr Rob Jarvis, Finance Director
Mrs Katy Quinn, Deputy Chief Executive (Teaching & Learning)
Dr Chris Davis, Clerk to the Board
Mr Phil Stone, Clerk to the Board
Mrs Moira Attridge, PA to Senior Management Team (minutes)
Miss Sarah Dowling, PA to Senior Management Team (minutes)

In attendance for Part 2 of the meeting:

Mr Graham Goddard, Associate Director, Professional Studies & Workforce Development
Mr Andrew Kaye, Associate Director, Science & Technology
Mr Matt Phelps, Associate Director, Business Development, Planning & Partnerships

Mr Quigley reminded the Board that Mr Phil Stone was retiring from his post as Clerk to the Board at the end of the month. He was leaving after 16 year's service, first as a Public Services lecturer and for the past 13 years, as Clerk to the Board. On behalf of the Board, Mr Quigley thanked Mr Stone for his invaluable contribution, wished him well for the future and presented him with a gift and a card. Mr Stone thanked Governors for the gift and their good wishes.

PART 1 – BOARD MEETING

B.24.14 GOVERNORS' MEETING TIME WITHOUT SMT

B.25.14 MEMBERSHIP AND BOARD MATTERS

- a) **Resignation of Mr Chris Davis**
- b) **Appointment of Clerk**

Mr Chris Davis had been appointed Clerk to the Board on Mr Stone's retirement and accordingly had resigned as Governor in order to take up the role.

Governors endorsed the appointment of Mr Davis as Clerk to the Board.

i Apologies

Apologies were received from Mrs Verona Hall, Miss Shirley Nellthorpe, Mrs Caroline Nokes, Mr Warren Scarr, Mr Jonathan Sendell, Mrs Gail Thomas, Mr Mike Thornton and Mr Seán Woodward.

ii Declarations of interests

There were no declarations of interest, financial or otherwise, made by those present in any item on the agenda.

iii Minutes of last meeting

The minutes of the meeting held on 2 July 2014 were agreed as a true and accurate record and signed by Mr Quigley.

iv Matters arising

Re B.17.14iv, Governors' Monthly Report, equality and diversity. Dr Edrich said that equality and diversity results would be presented differently when performance data for this year became available (towards the beginning of November 2014) making it easier to interpret.

v Appointment of Deputy Chief Executive (Teaching & Learning)

The Board ratified the appointment of Mrs Katy Quinn as Deputy Chief Executive (Teaching & Learning) and welcomed her to her first Board meeting.

vi Review of Board's Terms of Reference and KPIs and Committee population

Members reviewed the terms of reference for the Board and spoke about point 3.1 and the number of student members. Mr Stone explained the rationale behind the proposal to reduce the number of student governors from three to two and the utilisation of "student buddies". Governors reviewed the Board's KPIs and the Committee population.

Governors approved the Board Terms of Reference and KPIs including the revision to point 3.1, two student members instead of three.

Governors approved the Committee population.

Action: ChrD

vii Remuneration Committee Terms of Reference

Remuneration Committee, at their meeting on 21 May 2014, had made minor amendments to their Terms of Reference and these were outlined by a Remuneration Committee member. It was also suggested that "and shall set these out in an annual report" should be deleted from point 2.4.

It was agreed

To approve the revised Terms of Reference for Remuneration Committee, with the above amendment included.

Action: ChrD

viii Reduction of number of student governors from three to two

This matter was taken under B.25.14 vi above.

ix Sabbatical for Warren Scarr

Due to business commitments, Mr Scarr was finding it difficult to attend meetings as regularly as he would wish, and so Mr Quigley was proposing that in order to retain Mr Scarr's knowledge and expertise, he should be granted a sabbatical from Eastleigh College Board until January 2015 when the position would be reviewed again. Members endorsed this approach.

Governors agreed to grant Mr Scarr a sabbatical from Eastleigh College Board.

x Appointment of Chair of Audit Committee

There was currently a vacancy on Audit Committee for the position of Chair. Mr Davis requested that any volunteers/nominations for the position should be sent to him as soon as possible.

Action: ChrD

B.26.14 GOVERNORS' MONTHLY REPORT – JULY 2014

i Safeguarding update

Dr Edrich said there were no College related safeguarding issues to report and referred members to the Annual Safeguarding/Child Protection Report for 2013/14 which would be considered later on the agenda.

ii Equality & Diversity update

Equality & Diversity training had been broadened out to help staff understand Equality & Diversity aspects more fully.

iii Financial aspects

Mr Jarvis advised Governors of the actual financial outturn for the year 2013/14 which was better than reported in the July 2014 Month Governors' Report as income had improved a little. The outturn was a deficit of £622k. This included "one off" costs for restructuring and refinancing of £426k, which meant there was an underlying operating deficit of £196k. He said the balance sheet was satisfactory and the ongoing operating position was stronger now that appropriate cost saving action had been taken. Dr Edrich said that savings had been identified through the revised workload model and that revisions to course builds and hours of teaching were being investigated, so by December 2014 it should be possible to identify further staff cost savings. A Governor asked whether the recording of a deficit again would have an impact on the College's performance rating and Mr Jarvis confirmed that the College would still be in SFA financial health grade "satisfactory". Dr Edrich spoke about quality of teaching and reassured members that the majority of staff always delivered to the best of their ability and although they were now being asked to do more in fewer hours, improvements to systems, reduction in paperwork and process changes would help mitigate the impact. A Governor emphasised the importance of having mechanisms in place for monitoring the effects of changes on quality.

The Refectory Roof Replacement & Refurbishment Project had been completed on time and on budget and initial feedback from staff and students was very favourable. Governors were encouraged to take a look at the much improved facilities.

Governors noted the safeguarding updates, Equality & Diversity updates and financial aspects in the July 2014 Monthly Governors' Report.

B.27.14 TO RECEIVE

i Revised Lloyds Bank loan facility

Mr Jarvis reminded members that as the College had incurred three consecutive losses, a covenant breach had occurred on the Lloyds Bank loan facility. Theoretically the bank could have required the College to repay the entire loan but when it became apparent that the breach would occur, a waiver letter was obtained prior to the financial year end and the College accepted a new facility letter from Lloyds imposing new terms. Mr Jarvis outlined the key changes to the terms of the loan and explained how the increased costs were calculated. He also drew Governors' attention to one specific new clause which stated that if Lloyds foresee a change in the funding regime that would adversely affect the College, they could require early repayment. This is now standard in all Lloyds' facility letters. Dr Edrich was pleased to say that the College had made a growth request in respect of 19+ Apprenticeship funding. Apprenticeship volumes were strong and the College was the lead SFA provider in the south east for Traineeships, also coming top for outcomes with the unemployed on ESF funded contracts.

Governors noted the changes to the terms of the Lloyds Bank loan facility.

ii Health & Safety annual report 2013/14

Members reviewed the annual report on Health & Safety, noting the areas inspected throughout the year, training and an analysis of accident statistics.

Governors noted the Health & Safety annual report for 2013/14.

iii Safeguarding/Child Protection annual report 2013/14

Dr Edrich went through the progress against the targets and priorities in the Safeguarding Strategy and reported that there were robust systems in place to safeguard staff and students. She spoke about DBS checks and staff training. Dr Davis mentioned that three

Governors required Safeguarding/Child Protection training. In response to a Governor query, Dr Edrich clarified that children and vulnerable adults at offsite venues are the responsibility of the Centres (Schools), rather than the College, but that Eastleigh College staff would report any concerns about our adult students through the normal channels. In the chart showing "feeling safe on College premises" a Governor noted the differences between some induction and exit results. With regard to certain ethnic groups, Dr Edrich commented that the numbers of learners are so small that it produces statistical anomalies. Post meeting note: the procedure for Centres staff to follow when dealing with safeguarding or child protection issues at offsite venues is explicitly covered in training at staff induction.

It was agreed

To approve the Annual Safeguarding Report 2013/14.

B.28.14 TO APPROVE

Major Redevelopment Project – (Solent LEP capital grant)

Project appraisal and risk analysis

Mr Jarvis summarised the three elements of the proposed scheme and the key hurdles to be overcome in order for the scheme to start on site in 2015. He referred also to the planned property disposals at Cranbury and Desborough. He spoke about the revenue and cash flow implications emphasising the impact of the completed scheme. Mr Jarvis then drew attention to the risk that if the College does not have a funder in place or has achieved planning permission by January 2015, then grant confirmation will not be received. He also made Governors aware that as final grant approval will not be given until January 2015, the College was "operating at risk" until that point, and expenditure of up to £400k would be committed in the interim. However the risk was manageable and if the worst were to occur, the impact could be absorbed by cancelling half of the College's capital programme the following year.

Dr Edrich and Mr Jarvis answered members' questions regarding the grant rules, loan tender process and planning permission issues. Governors urged the College to speak to the planning authority informally and start the planning application process soon. A Governor questioned whether the contingency sum was adequate and Mr Jarvis confirmed that he felt it was

Mr Quigley asked Governors whether they had any more questions and whether they had sufficient details to make decisions. Members confirmed that they felt well enough informed.

It was agreed

- a) To approve the proposed Major Redevelopment Project.
- b) To approve that the College proceeds 'at risk' until grant confirmation is received (expected January 2015).
- c) To approve additional external borrowing comprising a revolving facility of £2.7m, crystallising at the end of the project into a term loan of £2m.
- d) To approve in principle the disposal of Cranbury Campus.
- e) To approve in principle the disposal of part of the Desborough Campus.

B.29.14 Mr Quigley was pleased to announce that Mrs Cross-Durrant had been selected Chair of the AoSEC Regional Governors Group and Miss Nellthorpe had been appointed vice-chair. Governors congratulated them on their appointment.

PART 2 – STRATEGIC PLANNING/TRAINING EVENT

B.30.14 DISCUSSION ON STRATEGIC DIRECTION FOR THE FUTURE

Mr Quigley stated that FE colleges were going through many changes, having to face serious funding and financial challenges, and it was against this background that the new Strategic Plan for the College would be developed.

Dr Edrich gave a presentation on the current situation, detailing the College's recent performance, its customers and services, the markets and opportunities, and the financial challenges it faced. She then outlined her vision for 2020, answering Governors' questions and clarifying various aspects and statements.

Governors split into three groups to discuss the following four questions –

- a) What is the College community? Who are our target customers and in what geography?
- b) What is the College curriculum offer?
- c) Should the College increase, reduce or maintain its current partner/sub-contractor community?
- d) Are the financial objectives appropriate?

In summary, Mr Quigley said that the new Chief Executive, with the team, was looking to develop a strategy for the College going forward. He said that it would take time to develop but was high on the agenda.

B.31.14 DATE OF NEXT MEETING

Wednesday 10 December 2014, 1700 hrs

To be preceded by meeting of Eastleigh College Ltd

Governors' Monthly Report including safeguarding & E&D updates
Review committee terms of reference
Annual report on Learner Voice
Approve financial statements 2013-14
Annual Audit Committee report
Internal Audit Annual Report 2013-14
External Audit Management Report
Curriculum Strategy
Annual Equality & Diversity Report
Equality & Diversity Strategy – to approve
Student Governors' Strategic Issues
Clerk's Item – declassifying confidential items
Governor Risk Management Board
Review Annual Awards event
Staff bonus (B.21.14 ii b)
Revenue & capital budget 2014/15 – progress against critical success factors (B.21.14 i)

The meeting closed at 1820 hrs.