Minutes of the Board meeting held at the St Albans Campus at 1700hrs on 11 February 2019.

Present
Christine Chisholm
June Cory
Mete Ekmekcioglu
Jean Fawcett
Sue Grant
Zoe Hancock
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b. Matters arising. There were no matters arising.

c. Actions. There were no actions outstanding from the previous meeting.

d. It was agreed to urgent business relating to use of the seal.

a. The information was received.

b. Actions had been identified (Register 63/18)

54/18 FINANCE

Some questions relevant to the financial report had been electronically submitted in advance of the meeting and the exchanges had been copied to all members. The questions related to the circulated paper Para 4.2. and Para 8.3. and had been satisfactorily answered. The management accounts accurate to 31 December 2018 (Annex 1) were then considered and discussed.

a. The situation was favourable, an overall variance of £1.036m against budget; income was also favourable by £883k with all variances clearly tabulated and explained, payroll expenditure was adverse £25k; Non-payroll costs were positive by £160k, again all variances were clearly tabulated. The balance sheet remained positive with a strong cash balance. St Albans campus development fund stood at £8.6m. Capital expenditure was £440k/£1m. Identified Risks and Opportunities were listed and individually discussed, Members would be updated on the need for a reforecast at the next meeting. (Action 4) In response to a query, assurance was given that the policy of at least a "break even" outcome for the accounts still held although as would be seen a surplus was planned for the coming year; the accounts were noted.

b. Financial Regulations. (Annex 2) The Financial Regulations had been updated and all changes were listed and explained. The Audit Committee Terms of Reference (AC TOR) were confirmed as the current version. The Finance Regulations were approved. (Action 5)

c. Quarterly Investment Report. Members were reminded of the Investment Strategy and it was noted that the present position, which was clearly detailed in the accompanying paper, compared favourably with the strategic cash reserves requirements. Each investment element was clearly listed and were explained individually and the information was noted.

d. Purchases over £100k. There was one Purchase Order (PO) over £100k detailed in Annex 3, which was approved for payment. (Action 6)

e. Budget Parameters. Budget Parameters for the next financial year were considered and discussed, the aim for capital expenditure of £1m and a surplus of £100k was noted and approved; the possibility of a general staff pay rise would be evaluated. The parameters, including the target surplus were approved. (Action 7) Clarification of “Rule of Thumb” parameters in Note 15 to the AoC College Insolvency Regime Guidance (Electronically requested) had been covered in the electronic exchange, but for clarity were restated:

<table>
<thead>
<tr>
<th>Issue</th>
<th>2017/18</th>
<th>Budget 2018/19</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>5.8% (above 6% = Good)</td>
<td>5.8%</td>
</tr>
<tr>
<td>Current Ratio</td>
<td>6.8 (Above 1.2 = Good)</td>
<td>6.6</td>
</tr>
<tr>
<td>Debt/Income Ratio</td>
<td>0 (Below 35% = Good)</td>
<td>0</td>
</tr>
<tr>
<td>Surplus/Deficit</td>
<td>£51.6m (Benchmark 3% ours 162%)</td>
<td>.1%</td>
</tr>
<tr>
<td>Reserves</td>
<td>£74.8m</td>
<td>£74.8m</td>
</tr>
</tbody>
</table>

Detailed consideration of the 2019.20 Budget would be at the Strategy Day tbh on 10 June. (Action 8)

f. Revenue and Capital. The proposed college capital allocation for the coming year was £1m and plans for the use would be brought to the Corporation in due course. During discussions it was asked whether it would be necessary to vire funding from the College reserves to the St Albans Campus developments to cover any shortfall? Reassurance was
provided that all arrangements were well established and that each phase of the capital programme would be scrutinised and approved in advance by the Corporation. General College budgets would not be utilised for the capital works.

a. The information was noted and received.
b. Actions had been identified (Register 63/18)

55/18  PRINCIPAL’S REPORT
The Principal’s Report updated on points not included on the agenda or considered elsewhere, the report was received but of particular note were:
a. Insolvency Regime. The Insolvency Regime for FE Colleges came into force on 31 January 2019; the Association of Colleges (AoC) Guide on the matter was attached at Annex and had been circulated to all members. Background to the introduction was detailed in the paper and was discussed. The Department for Education (DfE) would be publishing full detail shortly. This was an important area and it was noted that a local college had recently received emergency funding.
b. Funding. The issue of FE Funding had been debated in Parliament on 21 January 2019, a link to the proceedings was included in the accompanying papers and the positive support from all sides of the House was noted and welcomed.
c. Pay Settlement. The last meeting noted and supported a 2% increase and a £50 bonus for staff on salaries up to £40k and for 1% for those above, that had been informally accepted by local union leaders, but not by the members and a ballot was underway to determine the next move. The offer was discussed and it was reaffirmed as fair and prudent and better than the sector average, particularly as 22% of colleges were not offering any award; the AoC had recently restated their recommendation of 1% as a general figure. Members would be informed of developments. (Action 9) The University and College Union (UCU) had written to each Corporation Member to explain their position and the letters had been circulated at the start of the discussion.

a. The information was noted and received.
b. Actions had been identified (Register 63/18)

56/18  QUALITY UPDATE
Hard copies of background information which was difficult to interpret electronically were circulated. The comprehensive Quality Update was then considered and discussed. Some questions related to re-observations and the KPIs had been submitted in advance of the meeting and the exchanges had been copied to all members.
a. Quality Achievement Rate (QAR) and Value Added (VA) Data. Both QAR and VA data was now available and had been tabulated at Annex 1. Achievement by 16-18 had improved from 76.5% (2016/17) to 82%, although 19+ had fallen to 85.6% from 86.8%; 265 students were below the minimum standards. However, apprenticeship performance was concerning, both overall and timely achievements had reduced, overall from 76.1% (2016/17) to 70.7% and timely from 66.2% (2016/17) to 63.5%; 24.4% failed to achieve minimum standard; timely achievement was predicted to fall further. Additionally, the VA data clearly placed the college in the lowest 10% for applied general qualifications, significantly below average, urgent analysis showed that this was due mainly to Btec National Diploma in Sport, the 53 students concerned had since recovered and had qualified but the situation had negatively impacted on the score which stood at -0.79. This related to the qualification taken in 2016/17 which was only now being shown in the performance tables. Members robustly challenged all of the above and a lengthy discussion ensued. In response to a direct question of what an inspection team would make of the information; a clear assurance was given that a team would see an organisation that had a grip on quality, was now far more in control of data and associated remedial process than previously, that had strong deliverable improvement plans and which responded robustly when emerging information required. Enhanced tracking capability allowed closer monitoring of performance, even of individual students, and all members were welcome to a personal demonstration of this capability, development of a KPI tracker was almost complete. A further direct question challenged whether teachers were sufficiently ambitious in driving students’ ambitions,
some evidence seemed to indicate that many would settle for a straight pass rather than strive for a higher grade. Assurance was given that these matters were included in the development of higher standards. Members were fully behind the process.

b. November GCSE Resit Results. High grades had been 9% for English and 7% for maths representing 8% of the student population. Advances in support and preparation arrangements were noted.

c. Curriculum Audits. Four Curriculum Area Audits had been completed, selected through a risk based approach; these were generally discussed and agreed that the information was useful but there was a preponderance of negative comments, perhaps to be expected because of the areas concerned. There were questions whether some of the listed “Strengths” in the body of the reports merited inclusion, that was discussed and some of the reasoning accepted. Attendance and behaviour was particularly discussed and whether sufficient support was available to individual teachers and whether the associated policies were fit for purpose. It was accepted that there were challenges in these areas and the policies would be more robustly applied. (Action 10) The discussion led into whether student bodies should have a greater input into the area and whether analysis of particular student groups would be helpful.

d. The Annexes were all noted.

e. The Quality Improvement Plan. (QIP) The QIP at Annex 3, had been informed by the College Self-Assessment Report (SAR), and the Post Inspection Action Plan (PIAP); it had been updated to show current progress. Results against the plan would be monitored directly by the DPQ through integrated use of KPI tracker, lesson observations, learning walks, the Predicting Achievement Tracker and curriculum audits; the information would continue to be reviewed at monthly SMT meetings and reported to the Corporation.

a. The information was received and noted.
b. Actions had been identified. (Register 63/18)

57/18 STUDENT ENGAGEMENT
The Student Engagement detail was discussed and received. There was some feeling that the high level analysis at para 3.1 could benefit from a wider base and it was agreed to scrutinise accordingly. (Action 11)

a. The information was received and noted.
b. Actions had been identified. (Register 63/18)

58/18 KEY PERFORMANCE INDICATORS (KPI)
a. KPI. Performance against the challenging 2018/19 KPI (approved in July 2018) was tabulated at Annex 1 and was supplemented by textual updates, the strategic themes were:
(i) talented and valued workforce, KPI currently met;
(ii) financial sustainability, numbers discussed at 54/18, attendance +1% over target; and:
(iii) high quality responsive curriculum retention was currently 18-19 long +4% over target, 19+ also +3%. Apprenticeship timely success was below target, a full audit had been completed and key strengths and weaknesses had been identified to inform six corrective recommendations all of which were noted for implementation.

b. Risk Management (RM). The Risk Register presented as a RAG rated table at Annex 2 had been reviewed by SMT on 15 January and one, relating to the pay issue and associated strike risk (55/18c) had been added as a new medium risk and that was discussed. It may be a more severe risk if the dispute spread and it was agreed to consider the item again. (Action 12) There were currently 19 Risks associated with the Strategic Themes, 18 Medium and one Low, the information was noted. Preparations for the Ofsted monitoring visit were well advanced and the register reflected that.
a. The information was received and noted.
b. Actions had been identified. (Register 63/18)

59/18 POLICIES
There were two Policies and one Annual Report to consider:
a. Disciplinary Policy for Senior Post Holders (SPH) The SPH Disciplinary Policy was approved. (Action 13)

b. Health and Safety (HAS) Policy The HAS Policy was approved. (Action 14)

c. HAS Annual Report. The HAS Annual Report was received and approved. (Action 15)

a. The information was received and noted.
b. Actions had been identified. (Register 63/18)

60/18 URGENT BUSINESS
Corporation Seal. The Corporation Seal had been affixed to a Section 278 Agreement (Phase One) on 18 December 2018. Authenticated by Zoe Hancock (Principal) and Geoff Lambert (Chair of the Audit Committee).
The information was received.

61/18 URGENT BUSINESS
There had been no urgent business requested.

62/18 DATE OF NEXT MEETING
The next meeting would be held at 1800 on 11 March 2019.

63/18 ACTION REGISTER

<table>
<thead>
<tr>
<th>Action</th>
<th>Description</th>
<th>Resp</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Action 1</td>
<td>52/18b(i). CC&amp;NM reappointed for 4 years.</td>
<td>Clerk</td>
<td>wie</td>
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<td>Action 2</td>
<td>53/18b(ii). JW retired as member, thanks recorded.</td>
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<td>Action 3</td>
<td>53/18. Last minutes (10.12.18) confirmed for signature.</td>
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<td>asap</td>
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<td>Action 4</td>
<td>54/18a. Consider need for Budget reforecast at next meeting.</td>
<td>FD</td>
<td>11.03.19</td>
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<td>Action 5</td>
<td>54/18b. Financial Regulations approved.</td>
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<td>Action 6</td>
<td>54/18d. Purchases over £100k noted.</td>
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<td>Action 7</td>
<td>54/18e. Revenue Budget Target (£100k) and £1m capital approved.</td>
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<td>Action 8</td>
<td>54/18f. Consider budget 2019/20 at Strategy day.</td>
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<td>10.06.19</td>
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<td>Action 9</td>
<td>55/18c. Members updated on pay negotiations.</td>
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<td>Action 10</td>
<td>56/18c. Attendance and Behaviour Policy enforcement</td>
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<td>Action 11</td>
<td>57/18. Future data to be enhanced.</td>
<td>SS</td>
<td>asap</td>
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<tr>
<td>Action 12</td>
<td>58/18b. Additional Risk to be re-evaluated.</td>
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<td>Action 13</td>
<td>59/18a. SPH Disciplinary Policy approved.</td>
<td>SS</td>
<td>wie</td>
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<td>Action 14</td>
<td>59/18b. HAS Policy approved.</td>
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<td>Action 15</td>
<td>59/18c. HAS Annual Report received and approved.</td>
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