

Preston's College

Minutes of the Board meeting held on 14th July 2016 at 5:30pm in the Board Room at Preston's College.

Present:

Mr J Boydell (Chair)

Mr E Bassa
Cllr R Boswell
Mrs L Butler
Mr M Driver
Mr P Kennedy
Mr M Mallam (in part)
Mrs A Markland (in part)
Cllr J Morgan
Mr T Readett
Dr E H Smith
Mr J Taylor
Mr J Wilson

In Attendance:

Mr S Fell	Clerk to the Corporation	
Mr P McMellon	Assistant to the Clerk	
Mr S Nixon	Executive Director of Resources	(in part)
Mr M Noblett	Assistant Principal - Excellence & Learning	(in part)
Mr C Speight	Vice Principal (Enterprise and Engagement)	(in part)
Ms G Thornton	Head of Human Resources	
Mr C Wood	Vice Principal (Excellence and Learning)	(in part)
Mr M Hirst	Fusion Project Management Ltd (Item 166 only)	

PART ONE

162. Welcome and Apologies

On assuming the Chair for his first meeting, Mr J Boydell thanked his predecessor, Mr E Bassa, on behalf of the Board and the College for his wisdom and diligence in ensuring that the Board dealt with the many significant challenges facing the College and the sector during his period as Chair. Mr Boydell explained that he had learned much from the way Mr Bassa had chaired meetings and led the Board at this crucial time.

The Board then presented Mr Bassa with a token gift on behalf of the entire College community.

Mr Bassa thanked Mr Boydell, Dr E H Smith and the Board.

Mr Boydell briefly talked through his aspirations as Chair, encouraged all Board members to speak up at meetings and assured them that each of their opinions was valuable.

The Board noted that apologies for absence had been received from Mr S Browne, Ms D Hemsley, Ms L Hornsby, Dr A Jones and Mrs R Kay.

163. Declarations of Interest

The Board again noted the previous and long standing declarations from Mrs L Butler, Mr S Fell and Mr P McMellon given their status as employees of the University of Central Lancashire but agreed that, with regard to the matter reported under Item 168 below, there was no need on this occasion for those individuals to leave the meeting for that discussion.

Mr E Bassa, Mr P Kennedy and Mr M Mallam declared their personal interests in Item 164(ii) flowing from their potential reappointment as members under that item.

The Principal/Chief Executive and Mr S Nixon declared their interest in Items 165 and Items 177 and 178.

164. Minutes of last Board Meeting and Reports from Committees

(i) H.R. & Remuneration Committee

Mr J Taylor updated the Board on the non-confidential minutes of the Committee meeting on 5th July 2016. In doing so he talked through each of the key matters that had been discussed at that meeting.

Resolved: That the report of the Committee Chair and the draft Minutes (Part One) of the H.R. & Remuneration Committee meeting held on 5th July 2016 be received.

(ii) Search & Governance Committee

Mr M Mallam reported to the Board on the Committee's meeting on 13th July 2016. He confirmed that a number of matters would be dealt with under Item 175 below, but drew attention to the following:

(a) Board Vacancy

A vacancy had existed since the resignation of Mr P Williams in March 2016. Attempts to identify another member of the Board with significant accountancy and audit experience had been unproductive and Mr Mallam now asked all Board members to contact the Clerk with details of any suitable candidates. He explained that if no candidates were identified via this route within a short timescale then the College may have to contact the Association of Colleges for information and potentially formally advertise the vacancy.

(b) Re-appointment of Board Members – Standing Orders

Mr Mallam reported on the Committee’s recommendation that the Board’s Standing Orders (Section 3.6) be amended so as to allow the re-appointment of Board Members beyond the ordinary 8 years limit.

The Board agreed with the Committee’s rationale for the recommended amendment, concurring readily with the suggestion that, given the current exceptional circumstances and challenges, governance of the College would undoubtedly benefit from the retention of experience and familiarity with ongoing issues.

Resolved:

That section 3.6 of the Standing Orders be amended to read “Unless they are appointed as Chair of the Board, no member may *normally* serve for more than 8 years”.

(c) Terms of Office Expiries - Re-appointment of Board Members

The Board noted the Committee’s informal recommendations in respect of the reappointment of Board members.

During the brief consideration by the Board of the various proposals under this item, Mr Kennedy, Mr Mallam and Mr Bassa absented themselves from discussion during consideration of their own reappointments.

Resolved:

- **That Mr P Kennedy be re-appointed as a Governor for a further two years (3rd October 2016 to 2nd October 2018)**
- **That Mr M Mallam be re-appointed as a Governor for a**

- further two years (23rd October 2016 to 22nd October 2018)
- That Mr E Bassa's recent re-appointment until 8th July 2020 be confirmed, noting that he would serve as an ordinary member of the Board as opposed to Chair.

(d) Code of Good Governance

Mr Mallam briefly talked through the Committee's consideration of the College's compliance with the Association of College's Code of Good Governance with the Clerk providing supporting detail.

Mr Mallam explained that the Committee had proposed that the Code be adopted by the College in full, with the caveat that where, on occasions, full compliance with individual sections of the Code was not in the College's best interests, such non-compliance be supported by an appropriate explanation. Mr Mallam confirmed that current compliance (overseen by the Clerk and Assistant Clerk with assistance from the Board, its Committees and Management) was already at an impressively high level, as recently verified by the College's Internal Auditors.

Resolved:

That the Association of College's Code of Good Governance be adopted, with areas of non compliance explained appropriately.

(iii) Board Meeting on 30th June 2016 (excluding UCLan item)

Resolved: That the Minutes (excluding UCLan item) of the Board meeting held on 30th June 2016 be agreed as a true record and signed by the Chair.

(iv) Board Meeting on 30th July 2016 (UCLan item only)

Resolved: That the Minutes (UCLan item only) of the Board meeting held on 30th June 2016 be agreed as a true record and signed by the Chair.

165. Matters Arising

Item 156 – Budget 2016/17 and 3 Year Financial Plan

Mr S Nixon reported that, in line with the Board's request, he had now re-cast the 2016/17 Budget (and corresponding sections of the 3 Year Financial Plan) to accommodate a possible pay increase (of up to 1%) for

staff in 2016/17.

Resolved: That the revised Budget and 3 Year Financial Plan be approved.

Mr Nixon then reported that, with regard to the current (2015/16) financial year, the College was in a position whereby a non-consolidated single payment to each member of current staff could be accommodated. A year-end budget surplus in excess of the revised target (£225,000) would still be achieved if such payment was approved.

The Chair clarified that such payments would be made to all current staff, including the Senior Postholders, and would equate to 1% of each individual employee's annual pay.

The Board agreed that the proposed payment was appropriate, noting that this would not constitute a binding precedent.

Resolved: That the payment of a single, non-consolidated amount equal to 1% of annual pay, be paid to all current employees, including Senior Postholders, from the 2015/16 budget.

166. Estates Strategy

Mr M Hirst (Fusion Project Management Ltd) presented an updated draft Estates Strategy for consideration. He confirmed that the draft reflected various points raised by Board members at the Board meeting on 24th March 2016, together with the outcomes of discussions with College Management.

Mr Hirst gave details of the options which had emerged and explained each aspect of the 'Options Appraisal'. He warned that, over time, there would inevitably be need to adapt the identified 'preferred option', but he confirmed that, in line with the Board's instruction, that 'Learner Experience' was, and would remain, at the heart of the Strategy and related options.

The Board discussed the draft Strategy and the options within the report. Mr Hirst dealt with a range of questions covering matters including experience elsewhere (eg., Bolton College), surplus land use and split site/single site issues. The advantages and disadvantages of town centre locations for the College were considered and the Student Member (Cllr J Morgan) views were noted. There was a general consensus that one or more town centre locations could carry a number of significant benefits.

The Chair advised that, although ongoing strategic issues (Area Reviews, Brexit consequences etc) could not be ignored, it was appropriate to consider the options and the way forward based on current information. It was noted that the options did not exclude or inhibit future partnership developments.

Mr Hirst outlined the next steps which were (a) Identify preferred option, (b) Refine Implementation Strategy, (c) Write up Implementation Strategy and (d) Obtain the Board approval. It was noted that the intention was to seek the Board's approval at the October 2016 meeting.

Resolved:

- (i) That progress towards final options analysis be noted;**
- (ii) That the Board's provisional preference, notwithstanding the potential viability of other options, REDACTED be noted.**

167. Principal and Chief Executive's Report

In presenting her Report, the Principal/Chief Executive commented that, even in the short period since the Report had been written, there had subsequently been major changes – especially national political ones – which would inevitably impact upon the College and the FE sector. The Board recognised the unprecedented degree of political and financial uncertainty in which the College was operating.

The Principal/Chief Executive drew attention to her comments as follows:

(i) Area Reviews

Significant work was being undertaken in respect of the commencement of the Area Review of Lancashire, with the first formal meeting of the process on 4th October 2016. The board noted the need to agree upon a preferred Area Review outcome prior to that meeting. Dr Smith reported that there had not, as yet, been any 'expressions of interest' to the College from other colleges for more closer working partnerships or mergers.

(ii) Brexit

Dr Smith explained that the Brexit referendum had enhanced the uncertainty in the political environment in which the College was operating, with potential delays to reform and further reductions to funding obviously unwelcome.

Board Members noted that, as yet, there had been no noticeable impact on staff recruitment from the European Union (EU) at the College. It was

also recognized that the sector faced even greater uncertainty in respect EU funding and associated student recruitment. In response to a query from the Board Dr Smith confirmed that there appeared to be no new foreseeable issues with regard to the overseas recognition of the qualifications on offer at the College.

Cllr J Morgan complimented the College on the communications it had released following the Brexit referendum to reassure students and staff.

The Board discussed the messages in respect of OFSTED Readiness and on Student Successes.

Finally, the Board echoed Dr Smith's message of sincere appreciation for the work and commitment of staff over the past year.

Resolved: That the Report be noted.

168. Structure & Prospects Appraisal

Mr C Speight presented a report on progress and developments since the Board meeting on 30th June 2016 regarding the College's structure and prospects appraisal. He provided further detail on the process used in scoring options, including use of the 'Green Book' and 'options appraisal scoring methodology'. He drew attention to the components of the three interlinked axis (Viability, Desirability and Achievability) of the methodology. He then confirmed that application of the appraisal work/scoring matrix to the options resulted in 'partnership with an HE institution' emerging as clearly the highest score.

Board Members considered that the approach used had been objective and comprehensive, but concurred with the Chair's suggestion that a sensitivity analysis (reflecting fluctuations in weightings etc) was worth considering. The Board also discussed in detail the relative feasibility of each option.

Resolved : That the options appraisal methodology and the outcomes of the methodology's application be noted.

Mr Speight then presented the 'Initial Outline Consultation' draft. He confirmed that this draft reflected the input from the College's independent legal advisors, Eversheds solicitors. Mr S Nixon advised on the basis of the input from Eversheds.

The Board examined the draft document, noting that the plan was to issue a final version on 25th July 2016, with 6th September 2016 as the closing date for responses. Mr Speight elaborated on each section of the

consultation draft, pointing out all key and material aspects. He outlined the scope and nature of the proposed distribution (including via the College website) of the final document and he indicated how responses would be received and analysed/reported. The College's learners would be engaged in the consultation process primarily through the College's induction arrangements. It was, however, agreed that other channels for consulting learners (current and potential) should be considered.

In broadly approving the format and contents of the draft document, it was agreed that references to scores in the 'Outcome' section needed to be re-worded.

169. Review of Strategic Plan

The Principal/Chief Executive presented a report seeking the Board's endorsement of the College's Strategic Plan. The revised Plan reflected the current and future context within which the College operated. She explained how the refined College objectives should serve to assure close but flexible focus on the key issues. She drew attention to the updated 'Plan on a Page' and to the reconfirmed Mission.

The Board discussed the changes proposed and agreed that the clarification and sharpening of focus was timely.

Resolved:

- (i) That "Creating THE most employable learners" be reaffirmed as the College's key mission**
- (ii) That the College's objectives be refined as:**
 - "To deliver**
 - A high quality learning experience, exposure to the world of work, professional CPD and enhancing employability skills for our learners, all focused on clear career pathways.**
 - A sustainable, effective and financially sound business.**
 - A highly flexible, responsive approach to markets by operating through focused, separately branded Centres, creating appropriate and effective partnerships.**
 - A critical role in the regeneration and forward planning of Preston City and its surrounding areas and the region."**

170. Risk Management Register

Mr S Nixon advised that, although monitoring of the Risk Management Register was normally conducted through the Audit Committee, the magnitude of recent developments warranted a Board update. He reported on three new 'High' level risks: College as Lead Accountable Body for ESIF programmes; Possibility of OFSTED inspection in near future; and criminally organized cyber-attacks. These had been reported at the last meeting of the Audit Committee. He briefly advised on the risk control/mitigation measures that were in place and their continued development.

Mr Nixon then reported on two further risks – (a) funding/learner recruitment uncertainty linked to EU Referendum outcome and (b) inadequate application of the Structure & Prospects Appraisal process – both of which were potentially significant and thus under close monitoring by College Management.

It was agreed that both new risks clearly warranted inclusion as High level risks.

The Chair recommended that consideration be given by College Management to 'scenario planning' to enable the College to react expeditiously in the event of the crystallisation of know risks and cited a specific, relevant example of how an external organization had benefited significantly from such forward planning.

Resolved: That the updated Risk Management Register be noted.

171. Performance Against Key Performance Indicators

Mr S Nixon invited the Board to examine the latest report on the College's performance against Key Performance Indicators (KPIs). The 'causes for concern' section of the report was discussed.

The Board noted the 16-18 learner shortfall and that there were a number of contributory causes including shifts to the Apprenticeship route. Mr C Speight and Mr M Noblett outlined measures designed to mitigate the shortfall including systematic and timely follow-up of potential learner 'no shows'.

With regards to learner attendance, it was noted that a key factor continued to revolve around GCSE English and Mathematics learners.

The Board agreed that it would be useful to consider a more detailed

breakdown of learner attendance statistics.

Resolved: That current performance against KPIs be noted.

172. Fees Policy – 2016/17

Mr S Nixon presented the revised Fees Policy proposed for 2016/17. He suggested that the recommended changes were of a fairly minor order.

The Board discussed the proposed changes.

It was noted that, in future, the annual update of the Fees Policy would be conducted earlier in the year (ie., in the Spring Term).

Resolved: That the revised Fees Policy for 2016/17 be approved

173. Insurance Contract Tender

Mr S Nixon advised that, with the current insurance arrangements due to expire on 31st July 2016, tenders had been obtained via the 'Crescent Purchasing Consortium' an approach designed to secure best value and to obviate EU tender obligations.

The Board examined the report and agreed that a comprehensive exercise had clearly been conducted, with Zurich Municipal emerging as the successful tenderer.

Mr Nixon confirmed that, although appointment would be for an initial three year period, there was a break option at the end of each year.

Resolved: That Zurich Municipal be appointed to provide insurance services to the College from 1st August 2016 to 31st July 2019 at an annual cost of REDACTED.

174. Safeguarding and PREVENT

Mr C Wood presented his report on Safeguarding and PREVENT. He illustrated the comprehensive nature of both challenges by referring the Board to several of the matters considered elsewhere on the agenda. He reminded the Board about governor duties and obligations and set out future plans to update training for staff and Board members (the latter scheduled for September 2016).

Board members noted the detail on duties and obligations in the 'Background' section of Mr Wood's report. The major contribution of the Quality & Standards Committee to the meeting of the duties and to the general monitoring of safeguarding/PREVENT arrangements was recognised.

Mr E Bassa asked about the contribution of the recognised trade unions in the PREVENT context and noted that full co-operation was now given.

The need to identify a designated Safeguarding Governor as successor to Mrs A Markland was discussed. The duties of the appointed person (including the reviewing of Safeguarding Committee meetings and reports, and taking a lead in ensuring the meeting of statutory obligations) were noted.

Resolved: That

- (i) The contents of the Safeguarding and PREVENT report be noted and that the responsibilities identified therein acknowledged;**
- (ii) Subject to her willingness to take on the role, Ms L Hornsby be appointed as the Board's designated Safeguarding Governor; and**
- (iii) The importance of all Board members completing mandatory safeguarding and PREVENT training be re-emphasised.**

175. Governance Matters

Mr M Mallam drew attention to the deliberations of the Search & Governance Committee (Item 164(ii) above) as follows:

(i) Review of Governance Framework and Board Self Assessment

The Committee had approved a governance-related questionnaire for completion by all Board members. Mr Mallam explained that the completed questionnaires would be collated with the results analysed and condensed into a report setting out a review of governance during 2015/16. The questionnaire was distributed with Board members requested to complete and return the questionnaire to the Clerk by 1 August 2016.

Resolved: That use of the questionnaire recommended by Search & Governance Committee be approved with Governors asked to

complete and return the questionnaire to the Clerk by 1 August 2016.

(ii) Changes to Standing Orders (Committee Terms of Reference)

The review of the College's governance framework would also include a review of the effectiveness of committee terms of reference. This would allow for the introduction of amendments (including those recommended under Item 177 below) deemed appropriate in the light of the first year's operation of the new governance/committees structure.

(iii) Committees Memberships for 2016/17

The Search & Governance Committee's recommendations for Committees memberships in 2016/17 were considered.

Resolved: That the following Committees memberships for 2016/17 be approved:

Audit Committee

Mr E Bassa (Chair)
Mr S Browne (Vice-Chair)
Mr M Driver
Mrs R Kay
Mr T Readett

HR and Remuneration Committee

Mr J Taylor (Chair)
Dr A Jones (Vice-Chair)
Cllr R Boswell
Mr J Boydell
Mrs L Butler

Business Planning Committee

Mr P Kennedy (Chair)
Mr S Browne (Vice-Chair)
Mr J Boydell
Ms L Hornsby
Mr M Mallam
Dr E H Smith

Quality and Standards Committee

Dr A Jones (Chair)
Ms L Hornsby (Vice-Chair)
Cllr R Boswell
Ms D Hemsley
Mrs A Markland
Cllr J Morgan
Mr T Readett
Dr E H Smith
Mr J Taylor
Mr J Wilson

Search and Governance Committee

Mr M Mallam (Chair)
Mr E Bassa (Vice-Chair)
Mr J Boydell
Mr P Kennedy
Dr E H Smith

176. Dates of Future Meetings

The Board examined the draft Calendar of Meetings recommended by the Search & Governance Committee. It was agreed that the Calendar of Meetings would enable the timely conducting of all foreseeable governance business. However, it was agreed that provision should also be made for an additional, special meeting of the full Governing Body on Thursday, 22nd September 2016 (5.30pm).

Resolved: That the following Calendar of Meetings in 2016/17 is approved

Thurs	22 nd Sep 2016	5.30pm	Board
Thurs	6 th Oct 2016	5.30pm	Search & Governance Committee
Thurs	13 th Oct 2016	5.30pm	Business Planning Committee
Thurs	20 th Oct 2016	5.30pm	Quality & Standards Committee
Thurs	27 th Oct 2016	5.30pm	Board
Thurs	10 th Nov 2016	5.30pm	HR & Remuneration Committee
Thurs	24 th Nov 2016	5.30pm	Quality & Standards Committee
Wed	30 th Nov 2016	5.30pm	Audit Committee

Thurs	1 st Dec 2016	5.30pm	Business Planning Committee
Thurs	15 th Dec 2016	5.30pm	Board
Thurs	2 nd Feb 2017	12.00	Strategic Planning Event
Thurs	9 th Feb 2017	5.30pm	Search & Governance Committee
Thurs	23 rd Feb 2017	5.30pm	HR & Remuneration Committee
Thurs	2 nd Mar 2017	5.30pm	Quality & Standards Committee
Thurs	9 th Mar 2017	5.30pm	Business Planning Committee
Thurs	16 th Mar 2017	5.30pm	Audit Committee
Thurs	23 rd Mar 2017	5.30pm	Board
Thurs	11 th May 2017	5.30pm	Business Planning Committee
Thurs	8 th Jun 2017	5.30pm	Quality & Standards Committee
Wed	14 th Jun 2017	5.30pm	Audit Committee
Thurs	15 th Jun 2017	12.00	Strategic Planning Event
Thurs	29 th Jun 2017	5.30pm	Business Planning Committee
Wed	5 th Jul 2017	5.30pm	Search & Governance Committee
*Thurs	6 th Jul 2017	5.30pm	HR & Remuneration Committee
Thurs	13 th Jul 2017	5.30pm	Board

The next meeting of the Board will therefore take place at 5.30pm on Thursday, 22nd September 2016.

(Mrs A Markland, Cllr J Morgan, Dr E H Smith and all College Managers except for Ms G Thornton left the meeting at this point)