

Preston's College

Draft Minutes of the Board Meeting held on 23rd March 2017

Present

Mr J Boydell (Chair)

Mr E Bassa

Mr R Boswell

Mr S Browne (from Minute 221 onwards)

Mrs L Butler

Mr M Driver

Ms L Hornsby

Dr A E Jones

Ms B Kay

Mr P Kennedy

Mr M Mallam

Ms A Markland

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 (Deputy Clerk to the Corporation)

Mr S Nixon

Ms G Thornton

Mr M Noblett

Ms M Haworth

Mr C Speight

Ms J Tudor and Mr A Hindley (for Minute 218 only)

Apologies: Ms D Hemsley and Ms Morgan.

218. "Move It"

The Board received a presentation and short video from Ms J Tudor and Mr A Hindley on the recent "Move It" event, involving students from the College's Dance Academy.

The Board warmly welcomed the presentation and what looked to be a superb event and noted the potential for the event to build links between the College, its students and potential employers.

Resolved: That Ms Tudor and Mr Hindley be thanked for their presentation.

219. Declarations of Interest

Dr Jones and Mrs Butler restated their long-standing interests flowing from their roles at the University of Central Lancashire and explained to the Board that, having considered their positions in the context of the now rapidly developing relationship between the College and the University, they now felt it was the correct time for them to resign as Governors. Although they had correctly absented themselves from meetings and decision-making to date, they felt that as a great deal of future discussions would inevitably be contextualised by the relationship between the corporations, it would be more optimal for the College to seek to engage governors who could take part in all future decisions.

The Board noted that Dr Jones and Ms Butler had declared their interests from the very outset and had acted in the utmost good faith at all times. The Board explained that it was with great regret that the College accepted their resignations and thanked both for their excellent contributions during their time as Governors. The College also thanked both for their proactivity and good faith in dealing with potential conflicts of interest. Ms Butler and Dr Jones expressed their sadness at leaving the College and wished all concerned the very best of luck.

Mr Fell reported that he, Mr McMellon and Ms Butler and Dr Jones had actual interests in a number of items on the agenda, including Item 14 (Clerking Services and Governance). The Board agreed that it would be worthwhile for Mr Fell and Mr McMellon to remain present during discussion of Item 14 as they would welcome their informed and objective, governance related views on the matter.

Mr J Taylor stated his interest in Item 15 (Board membership – Appointment of Members).

Resolved: That the resignations of Dr Jones and Mrs Butler be accepted with sadness and both be thanked for their outstanding contributions to the College and for their continued proactivity and good faith in dealing with their interests.

220. Minutes of the:

- i) Search & Governance Committee meeting held on 9th February 2017**
- ii) HR & Remuneration Committee meeting held on 23rd February 2017**
- iii) Quality and Standards Committee meeting held on 2nd March 2017**
- iv) Business Planning Committee meeting held on 9th March 2017**
- v) Audit Committee meeting held on 16th March 2017**
- vi) Board Meeting held on 15th December 2016**
- vii) Special Board Meeting held on 2nd February 2017**

Resolved: That i) the Committee minutes and accompanying narrative from the respective Committee chairs be noted;

ii) the Minutes of the Board meetings be agreed as a true record and signed by the Chair.

Mr Browne arrived at this point in the meeting and stated his personal interest in Item 15.

221. Principal and Chief Executive's Report

The Principal and Chief Executive presented a report updating the Board on various activities within the College, including the following:

(i) The Chancellor of the Exchequer's budget announcement about increased spending (£500m per annum) on technical education. However, the funding would only become available to colleges from 2020 at the earliest.

(ii) Developments in the schools sector, including changes to funding and the creation of new institutions.

(iii) On apprenticeship reforms, Dr Smith confirmed that the College had been successful in its application to provide both levied and non-levied apprenticeships in the post-reform era. The Board noted this was extremely positive, particularly given the fact that a significant number of Colleges had seen their applications rejected.

Resolved: That the report be noted.

222. Post Inspection Action Plan (PIAP)

Ms Haworth and Mr Noblett presented a report providing the Board with a comprehensive overview of the actions being taken to improve the overall learner experience and outcomes. Ofsted Inspection Outcomes and PIAPs were appended to the report.

The Board noted that the draft PIAP had been reviewed by the College's Quality Improvement Plan at their meeting earlier in the month, with their recommendations subsequently incorporated.

The Board agreed that although updates on the PIAP were only presented to the Board on a quarterly basis, this was sufficient, given the constant scrutiny and feedback into its development on an ongoing basis outside of Board meetings. The Principal and Chief Executive reminded Board members that they all had online, real time access to the Dynistics package via the Governor Portal. The Principal and Chief Executive confirmed that the College's progress to improve teaching and learning was continuously and rigorously monitored, with staff extremely committed to the process.

Resolved: that progress in respect of the Post Inspection Action Plan be noted.

Mrs Butler, Dr Jones, Mr Fell and Mr McMellon declared an interest in the following two items and left the meeting at this point. The Board asked Mr S Nixon to act as temporary Clerk for the next two items.

223. Lancashire Area Review Update

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Mr C. Speight introduced his two papers, providing updates on the outcome of the Lancashire Area Review and designation of FE institutions in the context of the Area Review recommendations. He referred to a recently published application process to seek trial status as a designated FE body operating within HE, and a meeting involving officials from the Department for Education (DfE) and Skills Funding Agency (SFA), as well as senior managers from both the College and University, that helped clarify the process for seeking such designation. This publication and meeting was particularly helpful in the context of the Board's previous resolution that a company structure with FE designated status, acting as a wholly owned subsidiary of the University of Central Lancashire, is the preferred model for achieving the Area Review recommendation of merger in the 2018/19 academic year.

REDACTED

Mr Fell and Mr McMellon rejoined the meeting at this point.

224. Fees Policy 2017/18

Mr Nixon presented a report proposing the College's tuition fees policy for 2017/18 and briefly explained the rationale behind its content. He confirmed that the Apprenticeship Levy changes had been incorporated and that, other than that, it remained largely unchanged from previous versions.

The Board requested that a line be placed into the statement confirming that there was flexibility in the application of the Policy with regard to the charging of individuals.

Resolved: That subject to the minor amendment set out above the Fees Policy for 2017/18 be approved.

225. Period 6 Management Accounts/Mid Year Update

Mr Nixon presented the Period 6 Management Accounts and confirmed that they had been considered by the Business Planning Committee at its meeting on 9 March 2017.

The Board noted that the revised forecast included provision for a full year pay award (from 1 August 2016) of 1% which represented a cost of circa £160k. Both the Management Team and the Board agreed that, whilst they strongly wished for staff to receive the pay award, it was nonetheless prudent to ensure the greatest degree of financial certainty prior to actually making the payment. Dr Smith explained that the late payment of the money last year had been received well by staff due to it being received in a lump sum. Mr Nixon confirmed that every effort was being made to reduce other costs in order to enable the payment to be made. The Board agreed that unless material financial changes occurred in the meantime, the pay award be authorised for payment in mid-June.

In closing, Mr Nixon assured the Board that the College's projected financial position did not give rise to any doubts that bank covenants would be breached.

Resolved: That i) the Period 6 financial position be noted;
ii) that the 1% 2016/17 pay award be authorised for payment in mid June, subject to the Principal and Chief Executive and Executive Director of Resources being satisfied with the up-to-date financial position at that time.

226. Performance Against KPIs

Mr Nixon presented a report setting out the College's performance against a range of Key Performance Indicators (KPIs), as attached as Appendix 1. The report was split into four sections covering Responsiveness, Quality, Financial Sustainability and Human Resources. Targets and actuals were included for 2014/15 and 2015/16 for comparative purposes, as well as targets, Period 6 actuals and annual forecasts for 2016/17. Mr Nixon confirmed that gaps existed where data was not currently available at this stage of the year, and some national averages were not available at the level of detail reported through the KPIs.

The Board noted that the report had been considered at the Business Planning Committee meeting on 9th March 2017 with a number of changes made to reflect the input of the Committee to better aid understanding and transparency.

Resolved: that the Report be noted.

227. Revised Vision, Mission and Strategic Aims

Mr Speight presented a report setting out the revised "Strategic Plan on a Page" following detailed consideration and discussion at the last Strategic Planning Forum.

Resolved: That the "Strategic Plan on a Page" be approved.

228. Appointment of External Audit Service 2017-2020

The Board received a report and associated recommendation of the Audit Committee from their meeting on 16 March 2017. The Board noted the recommendation of the Committee that KPMG be appointed as external auditors for a further period, with them having received the highest score as a result of the evaluations undertaken by both a College Panel and the Committee itself.

Resolved: That KPMG be appointed for a period of three years with effect from 1st April 2017, with the Board provided with the ability to extend the term by a further year at their discretion.

229. Clerking Services and Governance – Conflicts of Interest

Dr Smith confirmed that the College's Search and Governance Committee had met last night to consider this item in detail and had made a number of recommendations for the Board to consider. The draft Minutes of last night's meeting were circulated to the Board.

Dr Smith confirmed that in addition to the routine Clerking Services provided by FEA they also possessed corporate expertise and relevant experience of mergers and collaborations. The Board agreed that this experience would be worthwhile.

The Principal and Chief Executive emphasised that the changes to the Clerking Service were completely unrelated to the quality of the existing service, which had been excellent and simply reflected the previously discussed conflicts of interest flowing from the burgeoning relationship with the University.

The Board agreed that the termination of the current Clerking Services would represent a significant loss to the College and thanked the Clerk and Deputy Clerk for their "absolutely first class service". The Chair personally placed on record his gratitude for the advice and support that the Clerking Service had provided and the robust challenge that had been provided when necessary.

The Board emphasised the significant, governance related progress that had been achieved since the appointment of the current Clerk and developed further following the appointment of the Deputy. They agreed that the service and the changes it had implemented had helped the Governing Body and College a great deal. They also agreed that the quality of the current provision should make matters straightforward for the next provider. Mr Fell and Mr McMellon agreed to provide a full handover to the next Clerk.

The Board noted the need to continue to seek to engage additional governors with appropriate expertise but recognised the difficulties associated with recruitment.

Resolved:

Resolved: That i) the Principal and Chief Executive be authorised to terminate the existing Clerking Services Agreement and, in doing so, the role of Stephen Fell and Peter McMellon as Clerk and Deputy Clerk respectively;

ii) The Principal and Chief Executive be requested to liaise with the Clerking Service provider with a view to seeking a waiver of the three month notice period.

ii) FEA be appointed as provider of Clerking Service to the Corporation, with the Principal and Chief Executive, in consultation with the Chair, authorised to negotiate and conclude the precise terms of the deal;

iii) Mr Fell and Mr McMellon be thanked for their contribution to the College;

iv) the recruitment of new Board members with appropriate skills and experience be pursued, with the requisite involvement of the Search and Governance Committee.

230. Board Membership – Appointment of Members

Mr M Mallam presented the recommendations of the Search & Governance Committee.

Resolved : That Mr S Browne and Mr J Taylor be re-appointed as Board members for up to a further four years, with effect from 21 March 2017.

231. Date of Next Meeting

The next meeting of the Board was scheduled to take place on 13th July 2017.