PRESTON’S COLLEGE CORPORTION BOARD MEETING HELD ON THE 14TH DECEMBER 2017

PRESENT:

Mr J Boydell (chair)

Mr T Readett

Mr M Driver

Mr J Wilson

Mr M Collard

Ms P Davies

Mr J Lee

Mr M Mallam

Mr S Browne

Mr J Taylor

Ms A Markland

Ms R Kay

Dr E H Smith

Mr E Bassa

IN ATTENDANCE:

Mr S Nixon (Executive Director Resources)

Mr C Speight (Vice Principal Enterprise and Engagement)

Mr M Noblett (Vice Principal Curriculum Delivery and Planning)

Ms M Haworth (Vice Principal Curriculum and Quality)

Ms G Thornton (Head of HR)

Ms J Crowther (Clerk to the Corporation)

APOLOGIES:

Ms L Hornsby

ITEM 1 Presentation – Cyber Security. The item was deferred until the Governor training day in February.

ITEM 2 Apologies were noted

ITEM 3 No additional interests declared

ITEM 4: Minutes of Committee meetings since the last ordinary Board meeting were presented for consideration, together with the minutes of the Board meetings held on the 26th October 2017 and the 30th November 2017 for approval. The following Committee minutes had been circulated for information.

* Search & Governance Committee held on 5th October 2017
* Resources Committee meeting held on 12th October 2017
* Audit Committee held on the 22nd November 2017
* Quality and Standards Committee held on the 23rd November 2017
* Resources Committee held on the 30th November

**Resolved: The Committee minutes were noted and the Board minutes from the 26th October 2017 and Special Board Meeting on the 30th November were approved.**

ITEM 5 The Audit Committee Annual Report to the Board was approved and signed by the Chair of the Audit Committee

ITEM 6 Annual Report and Financial Statements. Mr Nixon confirmed that the Annual Report and Financial Statements were being presented for final signing and approval. He confirmed that the Audit Committee has considered and accepted the report of the external auditors.

Mr Nixon referred the Board to page 2 of the report, highlighting that the operating surplus before pensions adjustments was £141k compared to the budgeted £121k. Pension adjustments provided by the actuaries for the Local Government Pension Scheme had a negative impact on the accounts of £937k leaving a reported deficit, inclusive of pension adjustments, of £796k. Although there was a significant in year pension charge to the income and expenditure account, the overall value of the pension deficit on the balance sheet fell as a result of better long term assumptions made by the actuaries as part of the valuation. These adjustments do not have an impact on cash balances.

Auditors had now completed the final review, so the accounts were presented as the final version, with an unqualified audit opinion. All audit matters had now been concluded, other than the signature of the letter of representation as appended to the report. After enquiry the signature of the letter of representation was approved, noting that that all information required by the auditors had been supplied, access to staff had been given, and that appropriate monitoring had taken place.

Mr Nixon invited comment on the financial statements prior to signature by the Chair and the Principal. The Chair offered thanks to both the Resources and Audit Committees for their work. Members asked additional questions about the pension deficit, and Mr Nixon explained that the College makes a cash payment of £300k each year as part of a 20 year deficit reduction plan agreed with the Local Government Pension Scheme. All Colleges have pension deficit reduction plans in place, although the scale will vary from institution to institution. Formal revaluations take place on a triennial basis.

**Resolved The Annual Report and Financial Statements were approved**

ITEM 7 Self-Assessment Report (SAR). Ms Haworth asked members to note emerging strengths that were identified in the SAR, which were reflected in the recent Monitoring Visit, as follows.

* Development of Teaching, Learning and Assessment (TLA) which has contributed positively to learners outcomes
* Exemplary behaviour of learners
* Good employability and employer engagement in curriculum delivery
* Enrichment and Work-Related Learning
* Study Programmes and the improvements made to the quality of class based provision
* Two year improving data trends now above national averages

Areas for ongoing improvement were noted as follows:

* English and Maths high grade success
* Apprenticeships outcomes
* Attendance including English and Maths sessions

A clear focus on Teaching and Learning has contributed to improved outcomes, but further work is ongoing to ensure that the quality of all teaching and assessing continues to improve. The SAR reflects 2016/17 and at this time, it was felt that teaching was an area for improvement. The Quality Improvement Plan and robust monitoring of actions will ensure that improvements continue to be made.

Ms Haworth asked that Members note that the College is expecting a second monitoring visit in May, and a further full inspection in the Autumn.

Members asked whether or not the College was confident in the grades awarded. Ms Haworth confirmed that the Self-Assessment Report (SAR) for 2016/17 had been prepared differently, with a whole college approach and was more concise. The report had been shared with the inspector, who had commented that the SAR in principle was fit for purpose and accurately reflected the strengths and areas for improvement. Ms Haworth confirmed that the College had been working with Hopwood Hall and Myerscough Colleges to ensure that there had been some external challenge and support.

Ms Haworth confirmed that the involvement from the board with regard to scrutiny of the SAR and the Quality Improvement Plan (QIP) was essential. All members of Quality and Standards had spent time scrutinising the SAR and QIP through a workshop session held on 30th November 2017. KPIs and milestones had been set and are reported at the Quality and Standards Committee to ensure that there is scrutiny throughout the year, not just a reflective process so that any issues can be actioned in year. Ms Haworth confirmed that the observation process had changed to an ungraded, developmental process. There is an open-door policy so that sessions can be easily viewed. Ms Haworth extended an invitation to Members to conduct learning walks with the college observation team.

The Chair asked that thanks be passed on to College staff for the mature way in which they had taken the recommendations of the Ofsted report, and that further Governor involvement in observations, and more interaction with staff and students, would be beneficial – Agreed that members should make arrangements to visit via Rebecca and Mandy. This will enable Members to see not only the teaching, but the support that is being given to staff to continue to improve.

Members noted that the planning and preparation felt better prepared, and very reflective of the current position. The Principal confirmed that the observation information now triangulated with the achievements reflecting the quality of teaching and learning as previously, Observation Teaching and Learning grades were good, but this did not pull through into outcomes and achievements. This had been rectified.

Members raised an issue about whether, at the current stage in the year, the College had moved forward. Mr Noblett asked Members to note that the information in the SAR is up until the 31st July and that improvements have been made in the first term of 17/18 and significant improvements had been made in year as the changes were implemented. In the recent Ofsted visit, the inspector had been satisfied that progress was appropriate. Mr Noblett further confirmed that there would be a further review in February. Members asked whether this was soon enough, and the Principal confirmed that, whilst formal reviews were periodic, progress against the action plan was being assessed continually.

Members asked where the data was that would accurately reflect the progress made. The Principal advised that progress against targets was rigorously monitored monthly on an individual basis. There were data sets that showed improving trends 200 learning walks have been conducted, and only 12 staff are in a support process. 18 are on a developmental programme.

The Staff Governor confirmed that staff were using the support that is available to them and they are seeing this as supportive. The Chair confirmed that on his visit he saw that staff were definitely using the support.

One member suggested that if the College grades itself as Good for class based learning, then something must be working well. Mr Noblett confirmed that the outcomes are Good, and the actions taken after the previous inspection have contributed to this. Members asked if judgements were based on live data rather than retrospective. Mr Noblett confirmed that the college was using live data.

Members asked if the data dashboards in development would be live data. The Principal confirmed that this would be the case.

**Resolved The Self-Assessment Report was approved**

ITEM 8 Period three Management Accounts. Mr Nixon presented the period 3 accounts and explained that only the net effect of ESIF programmes had been reported in order to avoid some of the potentially confusing large income and expenditure shown previously in relation to third party delivery. Presenting accounts this way would provide greater clarity on College performance.

Mr Nixon drew attention to the Adult Education Budget and explained that, whilst good progress was being made, further work would be needed to meet target. Further subcontracted activity was being considered, as well as potential demand for further in-house delivery.

Mr Nixon confirmed that the targets for apprentices were challenging, and early pressures were evident. This was largely due to the different ways of contracting and engaging with employers introduced as part of Levy reforms. There were indications of delays in the contracting process across the country, with knock on effects in terms of in year income generation. Mr Nixon explained that, as with Adult Education Budget targets, further new activity would be needed in year to generate further income to contribute towards the overall target. Plans were being developed.

Members asked about the sub-contracting for Adult education. Mr Nixon confirmed that a tendering exercise was being undertaken and that the partners under consideration are considered to be high quality in terms of learner outcomes. A full subcontractor list will be brought to the next meeting of Resources Committee for approval.

Members noted that cash reserves were relatively positive and asked if there was a strategy for investment of balances. Mr Nixon advised that the College would look for opportunities, but there was a need to balance currently low interest earning potential against the requirement for ready access to cash.

**Resolved The report was noted and Mr Nixon to examine options for investment of cash balances**

ITEM 9 KPIs - Mr Nixon drew attention to recruitment of 16-18-year-old learners and the shortfall against contract. He advised that this would impact on 18/19 funding because of the lagged funding methodology. He further advised that this year, for the first time in a number of years, more some growth in recruitment of new 16-year-old learners was achieved. However, a funding reduction in 18/19 equivalent to about 100 learners looked likely.

Mr Nixon confirmed that the budget surplus would be scrutinised continually.

**Resolved: The paper was noted**

ITEM 10 Bank Covenants – Financial Reporting Standard 102 made changes to the way income is recognised in accounts, although the impact on most Colleges is minor. However, it did have an impact on the way that banks measure compliance with financial loan covenants. A change in the ratios had been negotiated, with a neutral impact on College achievement of the covenants. This requires Board approval to facilitate application of the College seal.

**Resolved The paper was noted, the negotiated changes in the ratios with the Bank were approved and it was agreed that the associated paperwork be signed by the Chair and Principal**

ITEM 11 Report for information. In support of the continued improvements for learners, the College launched a Professional and University Pathway. This addresses the level 3 challenge where the college loses market share to local competitors. The courses promoted last year were successful in recruiting additional learners, and further development was now needed. The intent had been, to expand the range of courses on offer, and this had been well received by local schools. There were now 11 pathways, and to continue to improve this, the College was to launch a Gifted and Talented programme. The proposal therefore was to utilise the funds in the Preston Education Fund to support the Gifted and Talented programme. The outcome would be evaluated, and if this produced the outcomes expected, the cost will be built into core funding for the future -£130,000 over three years, reviewed annually. This will offer up to 39 Gifted and Talented Scholarships for the three years across the eleven subject areas. Members asked how this would pay for itself. Mr Speight confirmed that this should lead to increased recruitment of talented level 3 learners which has been a challenge in the past.

Member asked how the areas have been chosen. Mr Speight confirmed that the area had to have excellent enrichment and employer links. Also, good quality achievement rates were essential.

Members asked whether or not this had a charitable aspect, and could link to the Alumni proposal. Mr Speight confirmed that the College was looking at employer links with sponsorship but felt that it would be difficult to identify sufficient alumni, so relationships with employers were to be pursued, rather than alumni.

Members asked whether or not match funding could be explored. Mr Speight confirmed that he would be doing so.

**Resolved: The proposal was approved and Mr Speight to explore any opportunities for match funding.**

**Part 2**

**Date and time of next meeting: Strategic Planning Event 1st February**

**Board Meeting 22nd March**