

## **Newham Sixth Form College**

### **Corporation**

#### **Minutes of the meeting held on Wednesday 22 May 2019**

- Present:** Gail May (Chair and independent member), Joanne Dean (Vice-Chair and independent member), Julia Shelton (independent member), Jay Nair (independent member), Martin Oakeshott (independent member), Julianne Marriott (independent member), Elizabeth Harris (staff member (support)), Mandeep Gill (Principal and Chief Executive Officer)
- In attendance:** Ray Ferris (Vice Principal), Nick Christoforou (Director of Finance and Resources), Tracy Oko (Director of Student Services), Abena Rodman-Tay (Finance Manager – for items 1 to 6), Miklos Sarosi (Observer), Kurt Hall (Aoc Governance Adviser – Observer – for items 1 to 7), Paul Baglee (Clerk)

Apologies for absence were received from Katharine Young, Shawab Iqbal, Rayon Walters, Sadia Wahida and Maisha Rafiq Raina. Apologies for lateness were received from Jay Nair.

#### **1. Declarations of interest**

There were no pecuniary interests declared.

#### **2. Principal and Chief Executive Officer's report**

Members received and considered the report of the Principal and Chief Executive Officer.

##### **a) Adult Education Budget**

Members were pleased to learn that the Greater London Authority had accepted the college's case to extend the adult learning provision and the budget had been increased from £18k to £97k. Clarity was being sort on courses that could be funded from these monies, particularly for 19+ learners. The monies would also be used to support the London Mayor's commitment to deliver ESOL and basic skills courses.

##### **b) Qualifications review**

Members were advised that the government had launched a consultation process on qualifications at Level 3 and below, with a view to shifting the funding to courses on the Regulated Qualification Framework. This would mean that more courses would be subject to external assessment and that pass rates were likely to reduce as a consequence.

Members noted that the changes would be implemented in September 2020 for new starters, so students starting courses in September 2019 would not be affected.

**Action: Corporation to receive a report on the next steps once the outcome of the consultation was known.**

### **c) Insolvency regime**

Members noted that Hadlow College was the first college to be subject to the new insolvency regime.

### **3. Diverse in ambition, united in success - strategic plan**

Members received and considered an updated version of the strategic plan for 2019 to 2022. This included a forward from the Chair and it incorporated the feedback from the last meeting. The next steps would be to engage stakeholders and produce the final version for approval at the next meeting.

#### **Members' questions** (*responses in italics*)

- a) Can the KPIs be benchmarked so that we can assess whether they are challenging? *The key performance indicators are aspirational and we would need to improve our performance to achieve them. Some have national benchmarks, but others are set on the basis of current performance trends.*
- b) Can the student survey response rate be added to validate performance against strategic objective 2.2? *We can provide the response rate.*
- c) How do we make sure the strategic plan becomes meaningful for staff and students? *Once the plan has been agreed the key performance indicators will be filtered down through the staffing structure to the students. College self-assessment will reflect performance against the key performance indicators.*
- d) How will performance be reported to the corporation? *Performance against key performance indicators will be regularly reported. Performance data for themed data, for example Human Resources, will also be included in annual reports. The targets are aspirational and the current position will be the starting point for reports on performance.*

**Action: Key performance indicator 2.3 to be move to 2.1.**

**Action: Key performance indicator 2.1 - 'Achievement gaps between comparable groups are narrowing' to be moved to Strategic Objective 1 as it is more in line with teaching, learning and curriculum as well as with the new Ofsted framework.**

**Action: The staff development application form to be amended so that development requests can be linked to strategic objectives.**

**Action: Add 'I feel valued at the college' as a performance measure to SO2 to reflect staff voice.**

**Action: For progress reports show current performance data as a start for measuring progression against each target.**

**Decision: the draft plan to be released for stakeholder consultation, with the final version ready for approval at the next meeting.**

#### 4. Management accounts 2018/19

Members received and accepted a report on the 2018/19 management accounts for the period ending March 2019.

Members were advised that the college was currently predicting a £30k surplus at the end of the year and this incorporated full payment of the pay award at 1.6%.

##### **Members' questions** (*responses in italics*)

- a) Why is there a significant variance between the forecast and budget for non-staff costs, interest payments and exam fees? *Some of these variances are due to timing issues. Interest payment and exam costs are likely to be in line with forecasts at the end of the financial year. There has been a significant increase in recruitment expenses and agency fees. We are aiming to have preferred suppliers in place to reduce these fees in future.*
- b) Why did the college forecast an increase of income of £164k for High Needs learners from the local authority? *There was an over forecast in the budget, but this was on the basis of both income and costs. Next year's forecast will be based on this year's activity.*
- c) Is the revised position with the campus masterplan phase one main contractor reflected in the accounts? *This has already been accounted for, but it does not make a significant impact on income and expenditure.*
- d) How have we managed to recover a deficit budget of £112k to a surplus position with a fully funded pay award? *The most significant variations are on pay costs, with frozen posts and appointments made at the lower end of pay ranges. These costs have been reduced by £400k. However, there are an increasing number of vacant posts and this position cannot be sustained in the long term, so there will need to be some recruitment for 2019/20. In addition the college takes every opportunity to reduce supplier costs as contracts come up for renewal.*

#### 5. Draft budget strategy 2019/20

Members received and considered the draft budget strategy for 2019/20.

Members were advised that to achieve the college's strategic objectives there would be a 4.5% deficit in 2019/20. This equated to just under £1 million. This reflected the difficult financial environment with lower than expected student numbers, lower High Needs income and reduced commercial income and increased costs. The Sixth Form College Association had recommended that colleges make provision for a 2% pay award in 2019/20.

Members were further advised that the actions to achieve budget targets were to review the staffing structure to reduce costs through redeployment where possible and a more effective use of apprentices. There would also harder negotiations on the value of suppliers' contracts and a greater focus on raising additional income. The budget plan would include a staffing contingency of £100k and a general contingency of £30k. There would be a limited capital budget in 2019/20 for thermal/sound insulation in the new LRC and investment in computer equipment and hardware.

Members noted that over 40% of colleges were in financial distress, with one or two London colleges achieving a surplus or balanced budget. An increasing number of colleges were facing financial interventions from the FE Commissioner or Education and Skills Funding Agency. These interventions could increase with the removal of the 'satisfactory' financial health grade to be replaced by 'requires improvement'. Also a new financial planning template would be introduced from January 2020 for submission by 31 January each year so that forecasts could be based on known rather than predicted student numbers.

Members considered the value of inviting the FE Commissioner to visit the college to gain a clearer understanding of the financial challenges and the actions been taken to address them. Kurt Hall offered to speak to those colleges who had made contact with the FE Commissioner to provide an analysis of the pros and cons of this approach.

**Members' questions** (*responses in italics*)

Why are we considering using capital resources for thermal/sound insulation in the new LRC – why wasn't this factored into the original build? *When the original tenders were submitted the build costs were over budget and there was a value-engineering exercise to reduce costs. The glass screen in the original design was removed at this stage.*

Would a 2% pay award in 2019/20 be linked to moving to new pay scales? *We would need to consider a range of options based on a realistic view of our income and expenditure.*

**Action: the Corporation to receive a presentation on new financial planning processes in 2019/20**

**Action: the Corporation to decide at its next meeting whether to hold an early conversation with FE Commissioner or Education Skills Funding Agency about the college's budget strategy (analysis from Kurt Hall to support this consideration).**

**6. Financial regulations review**

**Decision: members approved the amended financial regulations subject to:**

- The incorporation of the amendments identified at the meeting, particularly substituting "corporation" for "governing body" and the addition of the revised terms of reference for the audit and scrutiny committee.
- The addition of a process for the disposal of assets
- A review of how budget holder responsibilities were reflected in staff appraisals

**7. Student governor report**

Members received and accepted the student governor report.

**Action: future reports to include a summary sheet**

**Action: the accuracy of the figures regarding the student union elections to be checked**

## **8. Campus masterplan and capital programme**

Members received and considered a report on the campus masterplan.

Members were advised that the phase one main contractor had still to complete the outstanding defects and submit all collateral warranties. Payments were therefore been withheld until satisfactory completion and submission had been achieved. Settlement had now been reached on the additional consultancy fees of £30k against a claim of £49k.

Members noted that arrangements had been made for CPB (the college's consultants) to conduct a presentation on the options for phase two of the campus masterplan, following the pre-application planning response from Newham Council, at the next meeting.

Members were also advised that the CIF bid to refurbish the student services hub was not successful. The bid had scored 76% and the threshold for success was 77%. An appeal had been submitted and the outcome should be known in the next four weeks.

**Action: presentation to be conducted on phase two of the campus masterplan at the next meeting of the Corporation.**

## **9. Annual report on equalities objectives**

Members received and accepted the annual report on the equalities objectives and the gender pay gap. The report focused on progress to March 2019 against the 2016 to 2020 objectives. Fresh objectives would need to be set for 2020 to 2024 in 2020.

Members were advised that the desired progress had not been made in terms of the targets relating to an increase in the proportion of managers who are from an ethnic minority and the proportion of staff who are disabled. It was noted that the 2019 data was the same as 2018. During this period there had been low turnover of staff. Two managers had left and one of these had not been replaced. Staff data collection rates had also remained static, but as staff could now had access to update their personal information it was hoped this would improve.

Members were pleased to note that 88% of the students surveyed considered the college was LGBT friendly. Students had commented positively on the high visibility of LGBT materials around the college.

**Action: positivity of the student response on LGBT to be publicised.**

## **10. Corporation committee remits**

Members received and considered a report proposing extensions to the remits of the Corporation's committees.

**Decision: members agreed that the current remits for Governance & Search and Audit & Scrutiny should remain unchanged, but that task/finish groups should be established to have oversight of the implementation of the budget strategy for 2019/20 and phase two of the campus masterplan.**

**Action: draft remits to be prepared for the next meeting.**

## **11. Link member reports**

Members received and considered link report on marketing and a quality link visit (tabled at the meeting)

**Decision: members agreed to endorse the report on marketing and asked that the quality link visit report be brought back to the next meeting**

**Action: Martin Oakeshott to support the work to address compliance issues with the college's website**

## **12. Quality improvement plan update**

Members received and accepted an update report on the quality improvement plan.

## **13. Courses requiring improvement**

Members received and accepted an update report on courses requiring improvement.

## **14. Recruitment and school liaison update**

Members received and accepted an update report on student recruitment and school liaison.

## **15. UCAS applications and offers**

Members received and accepted a report on UCAS applications and offers.

## **16. London Sixth Form Colleges Partnership**

Members received and accepted a report on the activity of the London Sixth Form College Partnership.

Members noted that the autumn term governor liaison group would take place on 7 October 2019.

## **17. GDPR update**

Members received and accepted an update on the implementation of the General Data Protection Regulation.

## **18. Appointment of the Clerk to the Corporation**

**Decision: on the recommendation of the Governance & Search committee, members agreed to appoint Robin Jones as Clerk to the Corporation, subject to satisfactory pre-appointment checks, with effect from 1 August 2019.**

**Action: 1:1 meetings to be held with the senior leadership team and the current clerk as part of the induction process**

**Action: the Governance and Search committee to agree the probationary targets**

**19. Minutes of the meeting held on 25 March 2019**

The minutes of the meeting held on 25 March 2019 were agreed as an accurate record and signed by the Chair, subject to the following amendment:

**a) Association of Colleges** (minute no. 16)

This minute to read:

Members were advised that Gail May and Joanne Dean had been appointed to the Governors' AoC Council, Gail May as the sixth form college co-opted member and Joanne Dean as the elected AoC London Regional Member. The AoC had recently appointed Kurt Hall as the Governance Adviser and he had been invited to attend the next meeting of the Corporation as an observer.

**20. Minutes of the meeting of the governance and search committee held on 25 March 2019**

Members received and noted the minutes of the governance and search committee held on 25 March 2019.

**21. Meeting dates 2018/19**

**Decision: Members agreed that the final meeting of the year should be held on Monday 1 July 2019 at 6.30pm.**

**22. Meeting dates 2019/20**

**Decision: Members agreed that all Corporation meetings should be held on a Wednesday evening in 2019/20.**

**23. Confidential items**

Staff members, other than the Principal and Chief Executive, observers and senior members of staff withdrew for the confidential items recorded in appendix 1.