Governing Body

Date:	**19 December 2016**	Clerk to the Corporation
		Granville Road
Venue:	**Board Room, City Campus**	Sheffield, S2 2RL
		Tel: 0114 260 2620
		Email alison.shillito@sheffcol.ac.uk

Present: Richard Wright – Chair
Ian Brown
Paul Corcoran
Neil Fletcher
Chris Husbands
Sally Neocosmos
Peter Norton
Seb Schmoller
Kim Streets
John Timms
Gil Vasey
Anne Wilson

In attendance:	Jason Pepper	Executive Director, Finance and Resources
	Alison Shillito	Clerk to the Corporation
	Heather Smith	College Principal and Executive Director
	James Smythe	Deputy Principal for agenda item 3
	Darren Tidmarsh	Executive Director, HR and SRI

Action

16/7/1 Apologies for absence

Apologies were received from Jay Bhayani, Edward Highfield, Chris Linacre and Amy Smith

16/7/2   Declarations of Interest

There were no declarations of interest.

16/7/3 Minutes of the previous meetings and action plan

i) The minutes of the meeting held on 10 October 2016 were approved.
ii) The Board received the report on the Strategy Event held on 14 November 2016
iii) The action record was noted. The nomination of additional members to the Sheffield UTC Academy Trust was rescheduled to March 2017. The action record will be updated prior to re-circulating with the agenda for the next meeting. **Clerk**

16/7/4   Matters Arising

Relevant matters arising were included on the agenda.

16/7/5   Chief Executive's report

5.1   Governors received the report which provided an update on the College's strategic developments; financial and other matters. A number of issues were reported on in more detail as substantive agenda items, however during the presentation and discussion the following issues were highlighted.

    i)   The College's finances are challenging particularly in terms of income generation and cashflow. In 2015/16, the amount of income generated by the College did not meet creditors' requirements and income is currently forecast to reduce. The under-recruitment of 16-18 year old students this year will reduce funding in 2017/18. The lower number of students has not resulted in a commensurate reduction in operating costs. The College urgently needs to improve efficiency; this and income growth are the most important priorities being pursued by the Executive Board and Change Initiatives.

    ii)   The feedback from a recent HMI visit was that the interventions being implemented are good practice but their impact in student progress and achievement has yet to be realised. The quality of teaching observed is improving but is not yet consistently good. The College Principal and her team are making strenuous efforts to improve the consistency of teaching and learning and student progress, as reported later in the meeting. Improving quality against a declining budget is a significant challenge.

    iii)   In relation to staffing, the College has received re-approval of the Investors in People (IiP) mark. The issues and recommendations in the IiP report are consistent with those from the Learning Together Review process and will be pursued by relevant Steering Groups.

    iv)   It was noted that the outcome of the Skills Funding Agency (SFA) audit of Individual Learner Return data had been encouraging about the quality of the College's student data. The development of the Key Performance Indicator dashboard is progressing well but issues remain with the provision of sufficient data to enable managers to understand and improve efficiency. There continue to be issues in accurately reporting class sizes, teaching hours, staff utilisation and agency expenditure. The financial constraints on the College make it an imperative that managers are able to access accurate and timely data to improve efficiency.

    v)   Some of the systemic issues are being addressed by process improvements. The appointment of the Chief Information Officer is intended to facilitate further improvements and it was noted that interviews for the post are scheduled for early January 2017.

16/7/6   Key Performance Indicator Dashboard

6.1   The Governing Body received the KPI dashboard and discussed the data as follows.

Chief Executive

i) **Staffing** – the Executive Director Human Resources commented that about half of staff leavers complete an exit questionnaire. There are no common themes emerging from the feedback. Approximately one in six of the College's vacancies are filled by internal appointments, which reflects the College's emphasis on staff development.

ii) **Financial indicators** reflect the financial constraints and challenges the College is facing. Governors wanted to satisfy themselves that the College remains financially viable for the current and future years. It was noted that financial health is tested rigorously by the College's auditors, its creditors and funding agencies. The College's financial health is currently assessed as 'satisfactory' by SFA criteria but income is below target. The threat of the Condition of Funding issue, previously reported, has reduced as this will continue to operate with a 5% tolerance in 2016/17.

iii) **Efficiency** - the College has already done a lot of work on rationalising its estate but there is more to do on improving efficiency and reducing overheads to assure the College's longer term financial security. Plans for sustainable resourcing, including medium and longer term changes, are being developed for consideration by Governing Body

iv) **Cost of borrowing** - the College has relatively high debt gearing, incurred in redeveloping its estate. The College's costs in servicing loans are at the higher end of the spectrum. The additional sector funding ear marked for post ABR restructuring is only accessible for college mergers and may not be used to replace or reduce commercially available loans.

v) **Income growth** - The College will need strong learner recruitment and growth in income generating activities such as apprenticeships and market price provision to sustain itself. The College is actively promoting its courses through the regional Skills Bank but take-up has been lower than anticipated.

6.2 Governors commented favourably on the dashboard. It was suggested that the dashboard could be improved with the inclusion of additional indicators on the quality of teaching and learning. The Principal commented that the departmental dashboard of teaching and learning quality KPIs is in regular use and data would be routinely reported to governors via Planning and Performance Committee monitoring reports and in the teaching, learning and assessment sections of Governing Body meetings.

16/7/7 Change initiatives

7.1 Governors received a Red/Amber/Green rated report summarising the current status of the ten strategic change initiatives. The CEO reported that all the Change Initiatives are being pursued with appropriate timescales and priority. Some changes are difficult to make in-year – such as changes to course structures and the timetable – and require a longer lead-in period. The progress of each Initiative is being monitored by the Strategic Change Programme Board and Executive Board on a monthly basis.

7.2 Governors received the report and requested that future reports include **CEO**

information about the timescale for completion of each initiative.

James Smythe, Steve Kelly and Jonny Walthern attended for the following item

16/7/8 **Teaching Learning and Assessment Improvement Plan: update on improvements to individual learner target setting and progress tracking**

8.1 James Smythe (Deputy College Principal), Steve Kelly (Head of Service, Student Services and SEND Support) and Jonny Walthern (Head of Learning for Sport, Public Services and Land-based subjects) made a presentation covering the following points.

    i) The College has been using ProMonitor software for some time to record student support plans and produce management information. The system capabilities were not being fully utilised. Responding to the 2016 Ofsted inspection recommendations, a steering group has been working on improving system functionality and usefulness of the data for staff, learners and managers.

    ii) This year, the College has purchased data on students' prior qualifications, to improve the reliability of the system for target setting (calculated automatically by ProMonitor based on national expectations of learner progress) and identifying study needs for English and maths. All student learning activities, interventions and support needs are being entered onto the system. The College has introduced the BRAG (Blue, Red, Amber and Green) system for rating individual student progress against targets three times per year. The combination of these developments is resulting in improved information being available to staff and student to support and motivate them to make progress.

    iii) The Markbook module in ProMonitor is the integrated function for staff to record learner activities and assessment. The Head of Learning demonstrated how his subject group is using Markbook to make rapid improvement to student retention and achievement. Setting-up courses in Markbook is a significant investment of staff time in inputting detailed information about modules, assessment and marking. The work is resulting in more coherent curriculum development and assessment scheduling, to the benefit of learners.

    iv) Once a course has been set-up in Markbook, staff input student attendance, marks and interventions to generate reports on progress for individuals (available to them via the student and parent portals) and class, course and department reports on progress, module completion, performance against targets.

8.2 Given the additional work in populating the system, governors were interested in its ease of use and the extent to which staff and students have access to suitable equipment and time to use it as part of their normal routines. Presenters said that the main obstacle to change is persuading staff of the benefits. To overcome this, the steering group are involving curriculum staff in making improvements which minimise additional effort and produce maximum benefit. Technical challenges are being identified and resolved, for example the purchase of standard reports in response to staff feedback that producing reports was time consuming. With these

improvements, staff are seeing real benefits. The profile data is informing activities to improve learner attendance and achievement.

8.3 Governors thanked the presenters and welcomed the explanation of how course and learner information is being improved to give managers and governors a richer picture. This will inform their scrutiny and challenge of teaching, learning and assessment quality in future.

16/7/9 Cross College Self-Assessment Report 2015/16

9.1 Governors received the report, a review of the College's activities during 2015/16 and evaluation of the College's performance against the Ofsted criteria. As recorded above, HMI feedback had been favourable about the changes the College is making to Quality Improvement systems, including implementation of a Risk-rating system (BRAG) for student progress and a 'notice to improve' system for courses that are under-performing. Feedback about the quality of teaching and learning was that improvements could be seen but it required further improvement particularly in terms of in-session progress and target-setting.

9.2 Governors considered the report, acknowledged the importance of the report presenting a fair and open assessment rooted in the evidence of learner progress data, feedback from stakeholders and Ofsted and HMI. They welcomed the progress the Principal and colleagues had made on improving quality systems and data. Governors agreed with the assessment that there were still improvements needed to teaching and learning if the College is to demonstrate that its provision is consistently good. Governors would be continuing to scrutinise quality data to assess the impact on learner progress and achievement and looked forward to receiving updates on performance against the consolidated teaching, learning and assessment quality action plan.

9.3 The report was approved by the Governing Body. It was noted that the Principal would be submitting the self-assessment report to Ofsted prior to 31 January 2017 deadline.

Principal

16/7/10 Learning Together Review – Report

10.1 Governors considered the report on the results of focus groups established to review the five themes that emerged from the Learning Together Task Group.

10.2 Governors reiterated their support for the Learning Together Review process and ensuring that follow up action is taken and informs the work of the strategic change initiatives. It was noted that all staff had been invited to participate in finalising the report and validate its findings and recommendations. The recommendations would be pursued through the steering groups for relevant change initiatives. Governors recommended that next steps should include:

i) validating the findings with a larger group of staff either through the closure exercise or other means

ii) turning the proposals in the Report into specific, measurable actions that are allocated to named individuals with timescales for completion

Chief

iii) ensuring responsibilities for reporting are clear so that actions are completed and reported back to participants and all staff.	**Executive Officer**
10.3 Governors received the report and confirmed that staff experience and the actions following the Learning Together Review would be monitored by Planning and Performance Committee. The Governing Body emphasised the importance of ensuring that the Learning Together process continues as a vehicle to change the College's organisational culture and ways of working. This would be a standing item for Governing Body meetings and governors requested a progress report to the next meeting on how the recommendations in 10.2 are being implemented.	**Clerk**

16/7/11   Audit and Risk Assurance Committee's Annual Report – 2015/16

11.1   The Chair of Audit and Risk Assessment Committee presented the annual report. This confirmed that members are satisfied that the College's overall governance structure and that arrangements for risk management and control are adequate and that internal and external audit services have been effective in discharging their responsibilities during the year.

11.2   It was noted that the Committee had reserved its judgment somewhat on data quality as although there had been some encouraging signs (i.e. from the SFA audit) there remained areas for development that it was hoped would be addressed with the expertise and under the leadership of a new Chief Information Officer.

11.3   Governors considered the report and commented that it would be beneficial to spend more time reflecting on how the Governing Body demonstrates its adherence to the Good Governance Code. Some of the areas of the Code, such as reflecting the student voice, are challenging.

11.4 The principle route for student engagement in Governing Body activities is via two student governors. This should be complemented by governors receiving information from the College's student feedback mechanisms, surveys, complaints and student forum events. Governors asked Planning and Performance Committee to ensure that student voice is addressed in its monitoring activities with important issues for the educational character of the College being brought to Governing Body.	**P&P Cttee and Clerk**
11.5 It was agreed that an early review of the Code compliance would be helpful prior to governor and Committee self-assessment activities. The Clerk agreed to update and circulate the compliance review document in June 2017 for consideration at the Governing Body meeting in July 2017.	**Clerk**

16/7/12   Annual Statements 2015/16 and Audit Management Letter.

12.1   It was noted that the College and group financial statements had been considered by the joint meeting of the Finance, Employment and General Purposes Committee and Audit and Risk Assurance Committee on 5 December 2016 and were commended to the Governing Body for approval.

12.2   Governors considered the financial statements as follows.

i)   As previously discussed in relation to 2016/17, the financial statements for 2015/16 reflected the challenges of cashflow, debt servicing and pension costs. The change to accounting for pensions had resulted in a

significant actuarial deficit (£8.9m) on the balance sheet.

ii) Financial statements for the College's three wholly owned subsidiary companies had been signed off by company directors and were presented for information.

iii) The draft Audit Management Letter gave a satisfactory opinion on the accounts and accounting processes with one low priority recommendation to which the College had responded.

iv) The Audit Management Letter may be revised as the SFA Funding Reconciliation Report for 2015/16 meeting had been received on 16 December. The Finance Director reported that he was in the process of reviewing the SFA Report with auditors. The reconciliation appeared to be positive but with no significant impact on the statements. Should any changes to the statements be required, these would be confirmed to governors following the meeting.

v) Notwithstanding the actuarial loss, the Governing Body considered the College to be a going concern.

12.3 As previously notified to Governors, in preparing the accounts, the College had used two exemptions available under the accounting standard FRS 102. It was noted that there had been no objections to the use of the exemptions and therefore they had been incorporated as follows:

i) College freehold properties had been valued at deemed cost and measured at fair value, based on the carrying values that were reported at 1 August 2014, such values continuing to be a fair reflection of current asset value.

ii) The College had elected to publish only a single group cashflow statement as separate statements for the College and the group would be almost identical.

12.4 The Governing Body authorised the Chair to sign on its behalf the letter to the Financial Statements Auditors, confirming that Governors' are satisfied with the process of preparing the financial statements for the year ended 31 July 2015 and for this to be submitted to KPMG.

12.5 On recommendation of the Committees the Governing Body agreed to authorise the Chair of Governor and Chief Executive to sign the Financial Statements for the year ended 31 July 2016 for submission to the SFA by 31 December.

Chair and Chief Executive

16/7/13 Internal Auditor's Annual Report – 2015/16

The Governing Body approved the report on the recommendation of the Audit and Risk Assurance Committee, which had considered the annual report at its meeting on 5 December 2016.

Governing Body

16/7/14 Committee issues

14.1 The minutes of the following meetings were received with items recommended for approval or approved endorsed and other items (as identified on the summary sheets) noted

- Chairs' Meeting (confidential) - 12 October 2016

- Finance, Employment and General Purposes Committee – 7 November 2016
- Planning and Performance Committee – 21 November 2016
- Joint Audit & Risk Assurance Committee and Finance Employment & General Purposes Committee - 5 December 2016.

14.2 The Chair reported that Chairs and Vice-Chairs had received an update on investigations into allegations of examination malpractice. Investigations were ongoing and should be concluded in January 2017.

16/7/15 Membership issues

Pete Norton confirmed that he had resigned from the College and would therefore be stepping down as staff governor. The Governing Body thanked Pete for his service to the Governing Body. The Clerk was asked to instigate procedures for nomination and election of a staff governor.

Clerk

16/7/16 Any other business – approval of Clerk as an authorised signatory

The Governing Body resolved that the Clerk to the Governing Body be added as an approved counter-signatory to the College bank mandate.

16/7/17 Review of meeting and closing remarks

17.1 It was noted that financial challenges had been a recurrent theme of the meeting. Income growth, and increased efficiency are imperative for the College. The Governing Body and FE&GP Committee will be actively engaging with the College Executive Board in responding to these challenges.

17.2 Governors requested that the venue for future Governing Body and Committee meetings be varied between Hillsborough and Peak campuses, as well as City, to increase governor awareness of the College's estate and visibility of Governing Body activities. The Chair reported that he would be visiting departments and campuses in Spring 2017 to meet staff and show support.

16/6/18 Schedule of meetings for 2016/17

Monday 6 March 2017 at 8.00 am in the Boardroom, City Campus
Monday 15 May 2017 at 8.00 am – venue tba
Strategy Event Monday 12 June 2017 at 8.00 am venue tba
Monday 17 July 2017 at 8.00 am in the venue tba