

Approved

EXETER COLLEGE FURTHER EDUCATION CORPORATION

CORPORATION BOARD

Minutes of the meeting held on Friday 6th May 2016 in the Boardroom, Hele Road, Exeter College

Present

Philip Bostock
Emma Webber
John Laramy
David Allen
David Batho
Sarah Brampton
John Bunting
Chris Hoar
Elaine Hobson
From item 6 Abbie Lawless
Craig Marshall
Martin Owen
Michelle Pugh
Matt Roach
Dave Underwood

Chair
Vice Chair

Observing

Apologies

Bindu Arjoon
Michael Caines
Mark Goodwin
John Coombs (Co-optee invited to observe)
Jo Matthews (Co-optee invited to observe)

In Attendance

Steve Campion Vice Principal, Finance and Business Operations
From item 4.1 Rob Bosworth Vice Principal, Schools, Partnerships and Curriculum (designate)
Item 6 only Mike Blakeley Head of Business Solutions
Item 7 only Pete Chapman Head of Sport Leisure and Tourism
Barbara Sweeney Clerk to the Corporation

1. **Welcome, Apologies and Declarations of Interest** **Action**
The Chair welcomed all members, particularly the Principal to his first Board meeting since his appointment on 1st April 2016. He also welcomed Steve Campion to his first as Vice Principal Finance and Business Operations.

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Apologies were received.

Chris Hoar declared an interest in item 11.1, Opportunities and Developments Register, and item 11.7, Property Update, as Partner, Foot Anstey. He also declared an interest in item 10.1 Reappointments, as the subject of a resolution on the reappointment of Governors.

2. **Minutes of Meetings**

2.1 The minutes of the meeting held on 12th February 2016, as circulated, were agreed and signed by the Chair.

2.2 The confidential minutes of the meeting held on 12th February 2016, as circulated, were agreed and signed by the Chair.

2.3 The confidential minutes of the special meeting held on 18th April 2016, as circulated, were agreed and signed by the Chair.

3. **Matters Arising**

There were no matters arising which were not covered elsewhere on the agenda.

The agenda was reordered to take item 4.2 before item 4.1

4. **Strategic Matters**

4.2 Vice Principal Schools Partnerships and Curriculum - Ratification of Appointment

This item was dealt with as a confidential item in accordance with the College's confidentiality policy and recorded in the confidential minutes.

Rob Bosworth, Vice Principal, Schools, Partnerships and Curriculum, (designate) joined for the meeting from item 4.1.

4.1 Senior Leadership Update

This item was dealt with as a confidential item in accordance with the College's confidentiality policy and recorded in the confidential minutes.

5. Principal's Strategic Report

This item was dealt with as a confidential item in accordance with the College's confidentiality policy and recorded in the confidential minutes.

Mike Blakeley, Head of Business Solutions, joined the meeting for item 6 only.

6. Apprenticeships

The PowerPoint presentation was received and the Chair congratulated Mike on the recent TES award for Apprenticeship Programme of the year.

Mike confirmed that the update was a condensed version of a three day apprenticeship conference and based on Government proposals announced over the past two years. He equated the impact to that of funding being transferred to parents for 16-18 provision. The changes were to boost productivity, increase skills, increase apprenticeship numbers to 3 million by 2020, to put employers in the driving seat and to show that apprenticeships were available to all.

Using an example of how the process was now, in 2016, and how it would be in 2020, Mike highlighted the key changes. Currently, apprenticeships were qualifications led, with ongoing assessment. There were no mandatory off the job guided learning hours and there was a contract of employment and apprenticeship agreement. By 2020 (although this might be brought forward to 2018) there would be a move to sets of Standards, assessing skills knowledge and behaviours. There would be an independent graded end point assessment completed by independent selected providers, and there were fears that there was an inadequate number of assessors to deliver this. 20% of time would be mandatory off the job guided learning hours, and whilst this was a benefit to the apprentices, would be challenging to employers, with the devil in the details. A contract of employment and apprenticeship agreement would be part of the target.

For the employer, in 2016 apprenticeships were all fully funded at the point of entry for all 16-18 year olds and negotiable for those over 19. The College took responsibility for all of the paperwork, reducing bureaucracy for the employer. There was current flexibility and innovative delivery within the frameworks to suit the timings of employers and age grants were available as an incentive for employers with a workforce of over 50 employees. By 2020, and with effect from April 2017, there would be co-funding, with the employer contributing £1 to the Government's £2 for every apprentice. It was proposed that this be managed through a complex Digital Apprenticeship Service, which was still to be delivered. The contract would be with a lead provider and at an agreed price for delivery, assessment and range of provision, and with significant incentive payments to employers for starters and completers plus the flexibility on what the incentives were used for. This might create a tier of employers who provided a number of short courses.

The Government was introducing a levy on employers to fund apprenticeships and which was the single biggest investment this Parliament. The levy would be collected through PAYE and set at 0.5% of an employer's pay bill. An allowance of £15k could be offset against the levy payment meaning that it was only paid on any bill in excess of £3million. There were to be no exclusions, and the public, private and voluntary sector would all be liable. Mike provided two examples and explained that if effective in recruiting, an employer could get out more

than they put in.

Currently the College received an agreed Skills Funding Agency (SFA) allocation and had single contract status. There was a comprehensive framework catalogue of offers and, with the College taking on the administration, minimal bureaucracy for the employer. By 2020 there would be no SFA allocation and capped payments. Contracts would be with each employer individually with a high level of bureaucracy and delivery and assessment split between providers.

Challenges to the new model were the slow development of the standards and poor communication from the SFA about the changes. Who would deliver the final assessments was unclear. The College's relationship with employers would change, and there would need to be a new approach to engaging with businesses. The College would also have to manage the income stream and new SFA processes. A reduction in the number of subcontractors would result in greater competition.

However, despite the challenges there were potential opportunities, and the significant turbulence and partnership opportunities could benefit the College. Funding might increase for current providers and as a college with existing resources, we were well placed over smaller providers. Of the College's current employers, 15% were estimated to be in the scope of the levy, with potential for growth. There was also potential in the public sector, for example in Hospitality Hair and Beauty and in the Health and Social Care Faculties, and to that end a summer conference was planned.

Governors considered the presentation and those with expertise confirmed the challenges and opportunities. The change in funding, and loss of certainty in income presented significant risk, which needed close monitoring and clear mitigating actions, one of which would be the formation of an Apprentice Committee within the College. One benefit was the ability of the College to be flexible in its offer and setting up contracts to suit the needs of individual employers. Through progression the College also had a large pool of potential apprentices. Regarding the economic growth of the City it was postulated that the introduction of the levy might impact, with businesses choosing to remain under the levy threshold. Mike proposed that about 50% would take the hit, with the remainder seeing the changes as an opportunity. Wages may increase for apprentices, and there might be subtle change to the economy rather than an immediate impact.

In summary it was agreed that since 28% of apprenticeships were delivered by colleges, the sector was in a better position than private providers. There were big opportunities and the exact offer was important. As a significant topic, the Board requested further updates to monitor threats and opportunities.

Approved

The Board noted the update.

Coffee

Pete Chapman, Head of Sport Leisure and Tourism, joined the meeting for item 7.

7. Exeter Chiefs' Academy Update
This item was dealt with as a confidential item in accordance with the College's confidentiality policy and recorded in the confidential minutes.

Part 2 REPORTS FOR APPROVAL

8. **Recommendations from Audit Committee**

At the invitation of the Chair, the Chair of the Audit Committee updated Governors on decisions recommended for Board approval at its meeting on 9th March 2016.

- 8.1 Risk Management: Revised Risk Register
The report, including the revised Risk Register and Heat Map was received and considered. The Senior Leadership Team (SLT) had reviewed and updated the Risk Register and Risk Heat Map in February 2016. The Chair of Audit highlighted the change to risk R32. Although the remit for this risk fell to the Business Services Committee, the Audit Committee was responsible for monitoring the risk and providing assurance to the Board, and had therefore requested an update at the Committee's next meeting with the relevant Heads of Department in attendance.

Steve confirmed that the Risk Register had subsequently been reviewed in April 2016 and that new risks had been added. This would be scrutinised by the Audit Committee at its next meeting on 15th June 2016 and received by the Board on 6th July 2016.

The Board agreed to:

a) Note the update

b) Approve the Risk Register and Risk Heat Map updated in February 2016

Vote: Unanimous

- 8.2 Review of External Auditors
The report was received and the Chair of Audit confirmed the Committee

Approved

recommendation to reappoint Grant Thornton for the 2015/16 external audit.

Because of the introduction of FRS 102, the Board had agreed to extend the contract of the external auditors for one year. A tender exercise would be undertaken in spring 2017 for both internal and external auditors, with contracts to commence on 1 August 2017.

The Board agreed

To approve the reappointment of Grant Thornton as external auditors for the 2015/2016 financial year.

Vote: Unanimous

9. **Recommendations from Business Services Committee**
At the invitation of the Chair, the Chair of the Business Services Committee updated Governors on decisions recommended for Board approval at its meeting on 18th April 2016.
- 9.1 Santander Loan
This item was dealt with as a confidential item in accordance with the College's confidentiality policy and recorded in the confidential minutes.
- 9.2 Approval of Summer Works 2016
This item was dealt with as a confidential item in accordance with the College's confidentiality policy and recorded in the confidential minutes.

Chris Hoar withdrew for item 10.1 only.

10. **Recommendations from Search and Governance Committee**
- 10.1 Reappointments
The report was received and the Board agreed to
- a) Appoint Chris Hoar for a second term of office from 4th July 2016 to the 3rd July 2020** BHS
- b) Appoint John Coombs for a second term of office as co-opted Governor from 4th July 2016 to the 3rd July 2020** BHS

vote: Unanimous

PART 3: REPORTS AND MINUTES FOR INFORMATION

11. **Reports**
- 11.1 Opportunities and Development Risk Register

The report was received and **noted**. Key changes to the Register were highlighted in item 5.

11.2 College News Update

The new report, providing Governors with a roundup of key events and successes in the College, was received and **noted**. The Principal highlighted the Arts Show in the CCI, the successful internal inspection of the Business and IT Faculty, the successful Business Solutions Expo and the inaugural hair show by students from Hospitality Hair and Beauty. Over 300 students were involved in the BBC Radio One big weekend and it was important to capitalise on the legacy of the event. Since the City was hosting the event, the Radio Academy tour was visiting surrounding schools and providers, and whilst learners had access to these events, the College was not eligible to host.

Finally the Board noted and commended the success of the College charity which had already succeeded its target.

The Board noted the report.

11.3 Qualification Achievement Rates

The report was received and **noted** and the Chair Quality and Standards highlighted the strong achievement outcomes.

11.4 Progression and Employability Update

The report was received and **noted** and the Chair of Quality and Standards confirmed that there had been a restructure in the team with focus on a widened progression agenda, including apprenticeships and internal progression as well as capturing the more traditional HE destination data. The number of contacts had increased significantly due to an increase in group events.

11.5 Management Accounts

The Management Accounts were received and the Chair of Business Services invited the Vice Principal Finance and Business Operations to highlight key issues. The mid-year position showed a healthy picture with surplus forecast to increase to £635k for the year. Although above the target of 1% surplus, this included cancellation of a one off accrual. Financial health remained good and the turnover was forecast to increase. Confirmation of the move to good financial health meant that the College was no longer required to submit monthly Management Accounts to the SFA.

Sector data for 2014-15 was now published and most colleges remained in the same or poorer financial health than the previous year. Overall circa 43% South West colleges were not in deficit. The Board requested that the data be circulated.

(Post meeting note: The data is available on Boardpacks via the

BHS

Business Services Committee meeting dated 18th April 2016, to which all Governors have access, item 5.2 Southwest Data Benchmarking 2014-15)

Steve confirmed that the College was not typical for the sector and that 10 out of 25 colleges in the southwest had reported a surplus. Declining demographics was having an impact.

The Board noted the report.

- 11.6 Commercial Opportunities Update
The report was received and **noted**. Steve confirmed that the heads of Faculty met every term with the Commercial Group and targets were set. There was evidence of growth.
- 11.7 Property Update
The report was received and **noted**.
- 11.8 **Student Representative Committee (SRC) update**
The report was received. Abbie highlighted a number of key events including Fairtrade fortnight. Proceeds from the sale of Fairtrade chocolate had gone to the College charity. The College jailbreak had also raised £104, with the farthest "escape" being to Cardiff and back at no cost. Because the College had already raised £10k against a target of £6k, the target would be revised to £12k. Shortlisting was underway for the College charity for 2016-17.
- The SRC had also been involved in designing posters for College issues such as sustainability and the promotion of British Values. Abbie confirmed that a successful second Learner Voice meeting had taken place. Voting for the SRC officers closed today, including elections for the roles of 16-18 and 19+ Student Governors.
- The Board thanked Abbie for her comprehensive update and agreed to
- Note the report.**
- 11.9 Student Representative Committee (SRC) Accounts
On the recommendation of the Business Services Committee, which had scrutinised the Accounts, the Student Representative Committee (SRC) Accounts to July 2015 were received and **noted**.
- There were proposals to draw on reserves to address issues raised by the Learner Voice.
- 11.10 Governance Report
The report was received **and noted**. The Clerk invited Governors to review and sign the annual Governance Documents. She also highlighted

Approved

a number of events to which Governors were invited, including the selection of the Vice Principal Standards and student Experience.

11.11 Sealings Report

The Sealings report was received and **noted**

12. **Minutes**

The following minutes were received and **noted**.

Search and Governance Minutes 8th February 2016 *Draft*

Business Services Minutes 1st February 2016 *Approved*

Quality and Standards Minutes 8th February 2016 *Approved*

Audit Committee Minutes 9th March 2016 *Draft*

Business Services Minutes 18th April 2016 *Draft*

13. **Confidential Minutes**

Search and Governance Confidential Minutes 8th February 2016 *Draft*

Business Services Confidential Minutes 1st February 2016 *Approved*

Audit Committee Confidential Minutes 9th March 2016 *Draft*

Business Services Confidential Minutes 18th April 2016 *Draft*

14. **Date of final scheduled meeting for 2015/2016**

Friday 6 July 2016

Date of Special Board Meeting

Wed 18 May at 5pm

Dates of scheduled meetings for 2016/2017

Friday 7 October 2016

Friday 9 December 2016

Friday 10 February 2017

Friday 5 May 2017

Wed 5 July 2017