

PROSPECTS COLLEGE OF ADVANCED TECHNOLOGY

MEETING OF THE BOARD OF GOVERNORS

13 DECEMBER 2017

MINUTES

Present: David Sherlock (Chair) External Governor
Judith Abbott Chief Executive
Prof Rao Bhamidimarri External Governor
Bala Mahendran External Governor
Peter McKee External Governor
Rachel Richards External Governor
Theo Steel External Governor
Ruth Umerah External Governor
Cath Weissand Staff Member

In attendance: Robin Jones Clerk to the Board of Governors
Ros Parker Principal
Helen Russell Director of Business Development

505 APOLOGIES FOR ABSENCE

The Board noted that apologies for absence had been submitted by Stephen Metcalfe given other commitments.

The Board noted that the meeting was quorate and could proceed.

506 PARTICIPATION VIA TELEPHONE

The Board noted that Rachel Richards and Rao Bhamidimarri were participating in the meeting via telephone and it was confirmed that both could hear what was being said by others present.

507 DECLARATIONS OF INTEREST

The Members present confirmed that there were no declarations of interest relative to the issues set out in the published agenda.

508 MEMBERSHIP OF THE BOARD – STAFF MEMBER

The Chair on behalf of the Board welcomed Catherine (known as Cath) Weissand to her first meeting as the new Staff Member.

509 MEMBERSHIP OF THE BOARD – STUDENT MEMBER

The Clerk advised the Board that a potential Student Member had just been identified and, subject to the review of the CV by the Governance & Search Committee, it was hoped that the person would be available to attend the meeting scheduled for 22 February 2018.

510 MEMBERSHIP OF THE BOARD – EXTERNAL MEMBERS

The Board noted the current position with regard to External Members and agreed:

- that all Members be invited to make known to the Clerk any individuals who may have the appropriate range of skills and interest for consideration for possible appointment as an External Member on the Board at the appropriate time to be agreed by the Board
- to note that a number of External Members would complete the current period of office in 2018 and that a report would be presented to a forthcoming meeting of the Governance & Search Committee so as to consider future arrangements.

511 MINUTES OF THE MEETINGS OF THE BOARD OF GOVERNORS HELD ON 27 AND 28 OCTOBER 2017

The Minutes of the meetings of the Board of Governors held on 27 and 28 October 2017 were agreed to be a correct record and were signed by the Chair.

512 MATTERS ARISING FROM THE MINUTES OF THE MEETINGS OF THE BOARD OF GOVERNORS HELD ON 27 AND 28 OCTOBER 2017

The Board agreed that the items arising from the minutes of the last meeting requiring attention were addressed in the published agenda.

513 AGENDA FOR THE REMAINDER OF THE MEETING OF THE BOARD

The Chair proposed, and the Board agreed, that the Agenda for the remaining items should be reordered so as to focus on the priorities as they now stand. These Minutes reflect the order discussed and not the published Agenda.

514 STRATEGIC PLANNING SESSION - ISSUES TO BE ADDRESSED

The Board agreed to receive and note the summary of the issues to be addressed as a result of the Strategic Planning session held on 27 and 28 October 2017.

It was recognised that a number of the issues were covered by reports to this meeting of the Board and several others would be addressed at the meeting scheduled to take place on 22 February 2018.

515 SELF-ASSESSMENT REPORT AND QUALITY IMPROVEMENT PLAN

The Board received and discussed at length the Self-Assessment Report for 2016/17 and the Quality Improvement Plan for 2017/18.

It was appreciated that a great deal of the Strategic Planning session on 27 and 28 October 2017 had been devoted to reviewing and challenging as appropriate the emerging themes of the Self-Assessment Report.

The judgements set out in the SAR were noted to be based on the most up to date ILR data and the evidence-based quality reviews undertaken throughout the past year. The conclusions were as follows:

Overall Effectiveness	Requires Improvement
Effectiveness of leadership and management	Requires Improvement
Quality of teaching learning and assessment	Requires Improvement
Personal development, behaviour and welfare	Good
Outcomes for learners	Requires Improvement
16-19 study programmes	Requires Improvement
Apprenticeships	Requires Improvement

The Board recognised that the performance of CSL had an adverse impact on the overall performance of PROCAT in 2016/17. A significant factor was the failure to complete programmes successfully within the planned period.

The Board agreed following a wide-ranging discussion and building on the outcomes from the Strategic Planning session in October 2017:

- 1 to approve the Self-Assessment Report for 2016/17 including the “Requires Improvement” judgement for Overall Effectiveness given the acknowledgment on the part of Board Members that this was an accurate reflection of the College at present
- 2 to approve the Quality Improvement Plan for 2017/18 and in doing so to note that the Executive was starting to progress the various initiatives to bring about the required improvements as soon as practicable
- 3 to look forward to receiving further and more comprehensive updates to the Quality Improvement Plan so as to track progress including any slippage against the target timelines
- 4 to support the intention of the Executive to invest in staff training and development to improve the quality of provision
- 5 to request the Executive to have available data with and without CSL provision so as to understand the impact of this former part of the College organisation
- 6 to support the recommendation of the Principal that a Quality Task & Finish Group be established to inform future reports to the Board and through this approach to hold Leaders and Managers to account
- 7 that Rao Bhamidimarri join the Quality Task & Finish Group and other Members make known their interest in becoming involved

516 LETTER TO COLLEGES IN THE FURTHER EDUCATION SECTOR FROM THE CHIEF EXECUTIVE & ACCOUNTING OFFICER OF THE ESFA

The Board received and noted the letter dated 17 November 2017 from the outgoing Chief Executive & Accounting Officer of the ESFA.

It was explained that the ESFA letter had been presented to and considered by the Audit & Risk Committee on 30 November 2017 when Members had also received a report from the PROCAT Chief Executive & Accounting Officer to put the various issues in the local context for the College.

517 AUDIT & RISK COMMITTEE – MINUTES OF THE MEETING HELD ON 30 NOVEMBER 2017

The Board received and noted the unconfirmed Minutes of the meeting of the Audit & Risk Committee held on 30 November 2017.

As well as the review of the Risk Policy, Risk Register and Financial Statements all of which were addressed later in this meeting of the Board, it was noted that the Audit & Risk Committee had covered:

- the outcomes from the Funding Audit
- a review of the recommendations arising from previous audit reports
- looking to the future in terms of appointing an Internal Audit Service

The Board agreed to approve the recommendation of the Audit & Risk Committee that SRF be engaged to carry out a funding audit for 2017/18 early in the new year so that the final report was available for review by the Committee at the meeting scheduled to take place on 27 June 2018.

518 ANNUAL REPORT OF THE AUDIT & RISK COMMITTEE

The Clerk explained that a working draft of the Annual Report of the Audit & Risk Committee had been prepared but had not yet been adopted by the Committee for presentation to the Board until the Financial Statements could be finalised.

519 RISK POLICY

The Board received the proposed revised Risk Policy which had been considered by the Audit & Risk Committee on 30 November 2017 and forwarded to the Board for approval.

It was explained that the main change concerned the level of risk appetite which experience had now shown had been set too high when adopted in 2015.

The Board agreed:

- 1 to approve the revised Risk Policy as recommended by the Audit & Risk Committee including the proposed low risk appetite which was more appropriate to the context in which the College was operating
- 2 to recognise that a low risk appetite did not mean no risks at all and that opportunities arose from time to time which would need to be assessed having regard to all known factors so as to decide how and indeed if to proceed

520 RISK REGISTER

The Board received the updated Risk Register as presented to the Audit & Risk Committee on 30 November 2017.

Members welcomed the more robust approach adopted in preparing the updated Risk Register which it was explained now focussed on mitigating the College's weaknesses and threats as identified in the SWOT analysis addressed during the Board's Strategic Planning session on 27 and 28 October 2017.

The Board agreed:

- 1 to note the updated Risk Register which it was thought was an extremely useful document now that there was scoring and RAG rating
- 2 to look forward to receiving updates at forthcoming meetings as changes are made and new issues are identified particularly having regard to Government policy

521 FINANCIAL STATEMENTS - 2016/17

The Board received the following documents as presented to the Audit & Risk Committee on 30 November 2017:

- the draft Financial Statements for 2016/17
- the Management Letter prepared by the Financial Statements Auditors
- Letter of Representation
- the Regularity Audit Framework Questionnaire

The position had not changed since the meeting of the Audit & Risk Committee in that, as yet, the College had not yet received an unqualified audit opinion. The major issue concerned the Going Concern status which had to have regard to the anticipated position for a full 12 months from the time that the Financial Statements were signed.

A revised Income & Expenditure Budget had been prepared for 2017/18 (see the following item) but the anticipated out-turn and the associated cashflow for the full 12 months period did not provide the comfort to enable the Financial Statements to be approved and signed at this meeting.

Whilst considering the draft Financial Statements and related matters the Board appreciated that the College would be in breach of the loan covenants which would require early discussion with the representatives of the Bank given the loan of £1m which had only recently been secured.

The Board agreed following a through review of the draft Financial Statements as presented:

- 1 to note the anticipated deficit out-turn position for 2016/17 and the substantial reduction in the cash in hand between 31 July 2016 and 31 July 2017
- 2 to note the reasons why it was not appropriate at this meeting to consider signing the Financial Statements for 2016/17 in the absence of an unqualified audit and Going Concern opinion
- 3 to advise the ESFA of the current position and, specifically, there would be a delay in publishing the approved Financial Statements for 2016/17
- 4 to recognise that, by not being in a position to provide the Financial Statements by the due date, the level of deficit recorded at 31 July 2017 and the prospects for the next year were bound to trigger a process and possibly some form of intervention
- 5 to support the view of the Executive that a comprehensive Recovery Plan be prepared for early review by the Board
- 6 that a meeting of the Audit & Risk Committee should be arranged as soon as the College received audit clearance so that a recommendation could be formulated and presented to an early meeting of the Board enabling the Financial Statements for 2016/17 to be signed and published.

522 BUDGET – 2017/18

The Board received and considered at length the Management Accounts for October 2017 (Period 3 of 2017/18) and the anticipated out-turn position to be reported at 31 July 2018.

It was explained that the Income & Expenditure Budget for 2017/18 approved in July 2017 had been reviewed in the light of actual learner recruitment and a line by line examination of all budget heads. The outcome was that the anticipated surplus of £144k was now projected to be a deficit of £(920)k – an adverse variance of £1,064k. The impact of this out-turn was that the College would need additional funding over and above the overdraft of £500k and loan of £1m agreed earlier in the year.

An additional factor to take into account as a result of this worse than anticipated financial performance was that the College would be in breach of the covenants with the bank associated with the loan conditions. This would need to be discussed further with the representatives of the bank.

The Board agreed, after discussion and taking the opportunity to question and challenge the members of the Executive on the present and projected financial position:

- 1 to approve the revised Income & Expenditure Budget for 2017/18 in the light of the review carried out to date and the actual recruitment in September 2017
- 2 to note that based on current projections the College would have a cashflow challenge by March 2018 at the latest and this would need to be addressed with a degree of urgency
- 3 to look forward to receiving further updates at forthcoming meetings of the Board in the light of further modelling and reviews to reduce planned expenditure whilst increasing expenditure where practicable

523 INSTITUTES OF TECHNOLOGY

The Board received an update prepared by the Director of Business Development on the Institutes of Technology initiative including the College's final submission to the Department for Education (DfE) to register an interest by 31 October 2017 and the national prospectus.

It was explained that, in the absence of the actual tender information, the current plans and activities were blind to the detail and criteria against which the DfE would consider final submissions.

The Board agreed following discussion:

- 1 to note the present position on the Institutes of Technology initiative including the lack of clarity which was affecting all interested parties across the sector
- 2 to look forward to receiving a further update on the Institutes of Technology initiative at the next meeting of the Board.

524 CURRICULUM PLAN

The Board received the recommendations of the newly constituted Academic Board (Curriculum & Quality) in respect of the proposed Curriculum Plan.

The presentation prepared by the Principal outlined:

- the planned provision – Apprenticeships and Study Programmes
- the risks associated with Apprenticeships and Study Programmes
- an overview by levels
- an example of learning progression
- the options open to PROCAT

The reintroduction of Level 1 provision was thought to have real merit in meeting an identified need and also providing a progression route to the core level of activity of Level 3 and above. Of course, it was important to acknowledge that not all those who joined the College at Level 1 would wish and or have the ability to reach Level 3 and above but some would.

The Board agreed, following discussion, to approve the Curriculum Plan as presented by the Principal and to look forward to receiving further updates at future meetings.

525 CHIEF EXECUTIVE'S REPORT

The Board received the Chief Executive's report which addressed a number of issues including the following:

- the College control environment
- banking arrangements including use of the College credit card
- financial planning and analysis
- all staff briefing on 8 November 2017
- external stakeholders including the meeting with the ESFA on 13 November 2017 arranged to discuss the performance of PROCAT against contract
- Prospects Learning Foundation (PLF) – future role – to be addressed at meeting of the Board scheduled for 22 February 2018
- Visit to the College on 7 November 2017 by representatives of the College's insurers to discuss the implications of the changes required under the Ogden Review – the current insurance agreement ends in July 2018 when premiums may increase

The Board thanked the Chief Executive for such a full and informative report and agreed to look forward to receiving updates on appropriate issues as and when appropriate.

526 PRINCIPAL'S REPORT

The Board received and discussed the report prepared by the Principal which addressed a number of issues including:

- Adult Education Budget – the importance of planning to deliver against the funds made available to the College (£361,743 for 2017/18) so that the allocation was not clawed back by the ESFA
- the outcomes from the recent observations of teaching, learning and assessment
- the reduction in out of funded learners from 216 at the beginning of September 2017 to 139 as at 11 December 2017
- retention rates after the first 42 days of courses – overall the position was noted to be good with 96% of study programme learners and 98% of apprentices having been retained.

The particular attention of the Board was drawn to the establishment of an Academic Board (Curriculum & Quality) to replace the former Board of Studies. The Terms of Reference and Membership were presented for information.

The Board agreed to note the report of the Principal and to look forward to receiving further updates at future meetings including the actions taken and planned to maximise the Adult Education provision in 2017/18.

527 DIRECTOR OF BUSINESS DEVELOPMENT'S REPORT

The Board received the report of the Director of Business Development which addressed:

- Recruitment in 2017/18 – the comprehensive annual report which analysed trends and comparative data was scheduled to be presented to the Board on 22 February 2018

- Recruitment in 2018/19 – the current target for Study Programmes was 428 students and the Apprenticeship target would be agreed in January 2018
- Business development including the appointment of a Centre Manager for TUCA who was due to take up the post on 15 January 2018
- In-contracting – a number of employers had opted to link up with a lead provider college following the introduction of the Apprenticeship Levy which was a risk for PROCAT in terms of generation of income and performance against ESFA contracts.
- Development opportunities – potential beneficial impact for PROCAT of the introduction digital and IT as part of the technical offer
- Commercial provision – less than anticipated due to staff shortages – recruitment to key posts underway
- Opportunities for commercial training provision at TUCA being explored with a meeting scheduled for 16 January 2018 with one particular employer
- Success and satisfaction ratings at both TUCA and Basildon continued to be high with 98-100% success rates and 85-100% satisfaction scores from delegates

The Board agreed to note the report of the Director of Business Development and to look forward to receiving further updates at future meetings.

528 HEALTH & SAFETY

The Board received the update report on Health & Safety but agreed to defer detailed consideration until the meeting scheduled for 22 February 2018.

529 PERSONAL DEVELOPMENT, BEHAVIOUR AND WELFARE INCLUDING SAFEGUARDING AND PREVENT

The Board received a report providing an update for the period October to December 2017 which addressed:

- safeguarding referrals
- Prevent agenda
- E-safety
- development of Personal Development, Behaviour and Welfare
- training and development of staff

The particular attention of the Board was drawn in the report to the first meeting of the restructured PDBW Committee which was chaired by the Principal and included members from all Departments.

The Board agreed to note the report on Personal Development, Behaviour and Welfare and to look forward to receiving further updates at future meetings.

530 COMPLAINTS, COMPLIMENTS AND COMMENTS - ANNUAL REPORT – 2016/17

The Board received and noted the Complaints Annual Report covering the period September 2016 to July 2017.

The particular attention of the Board was drawn to

- the definition of a complaint used by the College – “any expression of dissatisfaction that requires a response”
- during the period 12 complaints had been registered with 10 addressed and 2 being regarded as ongoing
- one compliment had been recorded regarding the feedback from delegates on a particular commercial course
- that the College Complaints Procedure was in the process of being reviewed in order for it to align with the new organisational structure, the Student Behaviour & Disciplinary Policy and the Appeal Procedure.

531 GOVERNANCE & SEARCH COMMITTEE – MEMBERSHIP AND CONSTITUTION

The Board approved an amendment to the Membership and Constitution of the Governance & Search Committee to recognise with immediate effect that the Board now had two Vice Chairs and for this purpose “Principal” now needed to read “Chief Executive”.

532 CLERK TO THE CORPORATION – REVIEW OF PERFORMANCE

The Chair advised the Board that he carried out the annual review of performance of the Clerk to the Corporation which he had found to be excellent in all respects throughout the year.

The Board agreed to concur with the view of the Chair and added that they found it extremely useful to have updates on developments in the FE sector provided from time to time by the Clerk.

533 CALENDAR OF MEETINGS – 2017/18

The Board noted the approved Calendar of Meetings for 2017/18 as follows:

- Thursday 22 February 2018
- Thursday 17 May 2018
- Thursday 19 July 2018

Unless otherwise agreed, meetings would commence at 1.30pm and take place at Basildon.

The Board agreed that it would be helpful to meet in late January 2018 given the need to progress several issues in advance of the meeting scheduled for 22 February 2018. The Clerk would consult Members on the proposed date of 31 January 2018 at 9.00am to determine availability.

534 CONFIDENTIAL ITEMS OF BUSINESS

The Board considered other items which, on the grounds of confidentiality, are the subject of separate minutes only available for reference by, as appropriate, Members of the Board, the Executive and others designated to have access.

Note: the confidential items of business are covered in 535 to 541.

Signed: _____ Date: _____