

**PROSPECTS COLLEGE OF ADVANCED TECHNOLOGY**

**MEETING OF THE BOARD OF GOVERNORS**

**20 DECEMBER 2018**

**MINUTES**

**Present:** David Sherlock (Chair) External Governor  
Judith Abbott Chief Executive  
Sue Dare External Governor  
Peter McKee External Governor  
Cath Weissand Staff Member

**In attendance:** Robin Jones Clerk to the Board of Governors  
Ros Parker Principal  
Malcolm Rodrigues ESFA

**815 APOLOGIES FOR ABSENCE**

The Board noted that apologies for absence had been submitted by Bala Mahendran, Stephen Metcalfe, Rachel Richards and Theo Steel given other commitments.

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

**816 DECLARATIONS OF INTEREST**

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

Sue Dare took the opportunity to remind the Board that she was acting as the Interim Principal of the National College of Creative Industries based in Purfleet.

**817 MINUTES OF THE MEETING OF THE BOARD OF GOVERNORS HELD ON 26 OCTOBER 2018**

The Minutes of the meeting of the Board of Governors held on 26 October 2018 were agreed to be a correct record and were signed by the Chair.

**818 MATTERS ARISING FROM THE MINUTES OF THE MEETING OF THE BOARD OF GOVERNORS HELD ON 26 OCTOBER 2018**

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

**819 OFSTED INSPECTION OF PROCAT**

The Board noted the outcome of the Ofsted inspection of PROCAT which had been carried out over four days starting on 4 December 2018.

Whilst recognising that PROCAT remained an entity in its own right up the date of merger, the inspection five working weeks before merger had come as a surprise at a time when it was thought that there were limited resources available to Ofsted.

The judgements on the part of Ofsted were largely in line with the College's own draft SAR – the College and the various elements “required improvement” and, therefore, there was no argument on the part of the College.

It was pleasing to be able to report that the behaviour of students had been throughout the inspection week exemplary as was usually the case. This was to the credit of both students and staff for the promotion of high levels of professional behaviour.

Interestingly, the Ofsted team did not make any use of the approaches developed jointly with SEC. The whole focus was on PROCAT as it was a freestanding organisation.

The Principal advised the Board that as yet there was no firm date for the publication of the Ofsted report given the forthcoming Christmas and New Year holiday period and the opportunity which would be given to PROCAT to comment on the content of the draft. Indeed, there had to be a question as to whether or not publication would be possible before the planned merger with SEC on 1 February 2019.

Although the Principal would be out of the country in part of January, she would keep track of emails so that if the draft report arrived, she would be in a position to review and comment in terms of factual accuracy. It may be that Ofsted would hold issuing the draft report until the Principal returned from her overseas visit.

The Principal explained that before the merger she would be meeting with appropriate members of staff towards the end of January 2019 to review the inspection report and begin planning how to address the issues raised for inclusion in the Post Inspection Action Plan (PIAP). As the Principal was leaving the College at the point of merger and the new Director of PROCAT had been appointed by SEC she suggested that he attend the planning session if he was available, so he was aware of the context including what had been said by Ofsted even if it did not appear in the final report. This would be raised with the SEC Principal at the meeting of the Shadow Board taking place later in the afternoon (20 December 2018).

The Board agreed:

- 1 to note the outcome of the Ofsted inspection of PROCAT and that, as yet, there was no firm date for the publication of the Ofsted report
- 2 to thank all staff for their contributions to progressing the inspection in what was described as an open and transparent manner and, in particular, for Ros Parker for the way that she had gone about her lead role
- 3 that consideration be given to preparing a media release should the Ofsted report be published before the merger with SEC

## **820 PERFORMANCE MONITORING**

The Board noted that, although originally planned for this meeting, a separate report on Performance Monitoring was not in the event included on the published Agenda given the Ofsted inspection and the issues addressed.

## **821 SELF-ASSESSMENT REPORT**

The Board received the draft Self-Assessment Report (SAR) for 2017/18 which had been tested during the recent Ofsted inspection and updated as a result where this was thought to be appropriate.

The judgment of the Executive, drawing on the Ofsted inspection, was that all areas were to be regarded as “requires improvement” based on the mix of strengths and those aspects where further improvements were still necessary to move the College to “good”.

The Board agreed, following discussion including the opportunity to probe the basis of the judgments, to approve the Self-Assessment Report for 2017/18 as submitted to the Board.

## **822 QUALITY IMPROVEMENT PLAN**

The Board received and discussed the updated Quality Improvement Plan (QIP).

It was appreciated that the QIP would be superseded by the Post Inspection Action Plan (PIAP) once this was finalised.

The Principal stressed that, at a departmental level, there was clarity as to what needed to be done to achieve the various planned improvements.

The Board agreed, following discussion:

- 1 to approve the Quality Improvement Plan to accompany the Self-Assessment Report
- 2 to recognise the importance of not losing momentum in bringing about the further improvements to the student experience and the other aspects addressed
- 3 to note the intention to bring together the PROCAT and SEC approaches to improving quality.

## **823 RECOVERY PLAN UPDATE**

The Board noted that there was not a separate update on the Recovery Plan on this occasion although the items on Ofsted, the Quality Improvement Plan and the Management Accounts covered the key themes.

## **824 BUDGET – 2018/19 - MANAGEMENT ACCOUNTS – NOVEMBER 2018**

The Board received the Management Accounts for November 2018 including:

- Income & Expenditure Account for the period to 30 November 2018
- Balance Sheet as at 30 November 2018
- Cash flow forecast to July 2019

A number of points were highlighted by the Chief Executive including

- the deficit at the end of Period 4 was explained to be £(407)k which was £189k worse than the projected deficit of £(218)k for this point of the year
- The number of Apprentices at 314 with a few still to be processed could prove to be favourable against the budget income target of 314 given the different value generated – this would be addressed as soon as the staff capacity enabled this given the vacancies on the support staff establishment
- The retention of learners on Study Programmes had improved
- The position with the delivery of Adult Education provision would normally see a clawback on the basis that PROCAT would not deliver the full amount but, as SEC had over achieved previously, a business case had been submitted to the ESFA to retain the allocation
- The cost of the essential electrical works of £200k was reflected on the cashflow forecast
- The ongoing unsatisfactory position with regard to CSL and the lease cars could result in legal action as a bad debt if not resolved shortly

The Board agreed following discussion:

- 1 to note the Management Accounts for November 2018 including the current level of deficit relative to the projected amount
- 2 to look forward to receiving a further update on the financial health of the College at the meeting scheduled for 29 January 2019
- 3 to note the approach of the Chief Executive in bringing to a satisfactory closure the position with CSL and the leases cars

#### **825 FINANCIAL STATEMENTS – 2017/18**

The Board noted that the audit review of the income and expenditure position for the year which ended on 31 July 2018 was ongoing and, therefore, it was not appropriate to consider at this meeting the approval of the Financial Statements.

The Chief Executive outlined the areas of current attention on the part of the Auditors and the College and confirmed the intention that the Board would be a position to sign off the Financial Statements at the meeting scheduled for 29 January 2019.

Members were surprised to learn that, over four years since the incorporation of PROCAT, the College still did not have a comprehensive Fixed Asset Register.

As the national timetable of events anticipated the submission of the approved Financial Statements for 2017/18 by 31 December 2018, it was agreed that the Chief Executive advised the ESFA of the position in writing.

#### **826 AUDIT & RISK COMMITTEE – 6 DECEMBER 2018**

The Board received and noted the unconfirmed Minutes of the meeting of the Audit & Risk Committee held on 6 December 2018.

In the absence of the Chair of the Committee, the Clerk highlighted the main issues covered which included reviews of:

- the working draft of the Audit Findings Report prepared by RSM
- the Risk Policy, Risk Register and Merger Risk Register

Two recommendations were agreed for presentation to this meeting of the Board and these were addressed in items 827 and 828 below.

A further meeting of the Committee would be arranged as soon as practicable (possibly during the week of 21 January 2019) to receive and consider the final version of the Audit Findings Report so that the Board could have the benefit of the advice of the Committee, including its Annual Report, when approving the Financial Statements at the meeting on 29 January 2019.

#### **827 RISK POLICY AND RISK REGISTER**

The Board received the report of the Chief Executive and agreed following discussion:

- 1 to approve the recommendation of the Audit & Risk Committee that the risk appetite of low remained in place during the period prior to the planned merger with South Essex College
- 2 to note the updated Risk Register and Merger Risk Register and, in doing so, to ask the Chief Executive to add a section on cyber security to the PROCAT specific document if the planned merger was much delayed

## **828 FINANCIAL STATEMENTS AUDITORS - FEE**

The Board received the advice of the Audit & Risk Committee that the audit fee would be about £14k more than anticipated given the amount of work required to complete the end of year audit.

It was explained that, as a gesture of goodwill, RSM had agreed to split the additional costs so far incurred but this still left the £14k for the College to cover.

The Board agreed to note and approve the additional audit fee position given the reasons addressed by the Audit & Risk Committee.

## **829 SAFEGUARDING, PREVENT AND PDBW**

The Board received and noted with interest the update on Safeguarding, Prevent and Personal Development, Behaviour & Welfare.

The decision to reintroduce lower level courses had brought with it an increase in the number of learners with Education, Health & Care Plans (EHCP) and those with additional leaning needs which now amounted to 21% of the overall enrolment intake.

## **830 HEALTH & SAFETY ANNUAL REPORT – 2017/18**

The Board received and noted the Health & Safety Annual Report for 2017/18 which covered a range of issues including:

- the staff attached to the Health & Safety role including changes during the year
- policy development including Fire Evacuation and Manual Handling
- the work of the College Health & Safety Committee
- staff training and development
- accident statistics
- fire safety
- fixed wiring inspection and the faults which had been identified
- British Safety Council 5\* Occupational Health & Safety Award

The Board agreed after discussion:

- 1 to welcome the Health & Safety Annual Report for 2017/18 and the range of issues progressed during the year
- 2 to note that the SEC staff with a lead role in Health & Safety were very much aware of the context for PROCAT having previously worked at the College before joining SEC
- 3 to acknowledge that it was now too near the date of the planned merger with SEC to progress any further the aspiration to achieve the British Safety Council 5\* Occupational Health & Safety Award but to place on record the wish that the options be reviewed to demonstrate the importance placed on health and safety at PROCAT.

## **831 CLERK TO THE BOARD OF GOVERNORS (CORPORATION)**

The Board agreed to extend the current appointment of the current Clerk to cover the period to the point of merger with South Essex College on, it was anticipated, 1 February 2019 given the issues to be addressed to complete the formalities including at least one final meeting of the Board.

### **832 MERGER – DISSOLUTION RESOLUTION**

The Board received and noted the Merger Dissolution Resolution prepared by Eversheds to ensure that the Corporation adopted the correct approach when progressing the final merger stage.

The Merger Dissolution Resolution covered a number of aspects including:

- the carrying out of the statutory consultation
- the carrying out of the legal and financial due diligence
- the passing by South Essex College of the requisite resolution to acquire the property, rights and liabilities of PROCAT with such acquisition to take effect immediately prior to 00:01 on 1 February 2019

In response to a question from a Member it was confirmed that Eversheds were aware of the pension arrangements post-merger, but the provisions of the Dissolution Resolution would be checked and updated as appropriate.

The Board agreed following discussion:

- 1 to approve the Merger Dissolution Resolution as drafted as a clear statement of intent to progress the planned merger between PROCAT and South Essex College on 1 February 2019
- 2 to understand that, based on the intentions as drafted, PROCAT as currently constituted would be dissolved at 0:01 on 1 February 2019 and its property, rights and liabilities would transfer immediately before that time to the Corporation of South Essex College
- 3 that Members had until Friday 4 January 2019 to make known to the Clerk if they had any questions and or comments on any aspects associated with the Dissolution Resolution so that preparations may be made for the final meeting of the Board to take place immediately prior to merger.

### **833 MERGER CONSULTATION DOCUMENT – FEEDBACK**

The Board received and discussed the proposed response to the comments made as a result of the Consultation Document prepared by SEC which was appropriate to publish on the SEC website without delay to meet the formalities.

Members suggested that it would be appropriate to respond specifically to the comments made by those who had made submissions and, therefore, a form of words was prepared which would be presented to the meeting of the Shadow Board later in the afternoon (20 December 2018).

### **834 CALENDAR OF MEETINGS – 2018/19**

The Board noted the calendar of meetings for 2018/19 up to the date of the planned merger with South Essex College provided for at least one further meeting:

- Tuesday 29 January 2019 at 1.30pm

Members recognised that, given the range and importance of issues to be addressed, it may be appropriate to arrange additional meetings and or change the planned meeting to seek to maximise attendance.

**835 ROS PARKER**

The Board noted that this would be the last meeting attended by Ros Parker and it was agreed to place on record the thanks of Members for the way that she had carried out the role of Principal and prior to that Director of Learning under difficult circumstances.

The Chair, on behalf of the Board as a whole, wished Ros well for the future.

**836 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 837 to 840*

Signed: \_\_\_\_\_ Date: \_\_\_\_\_