

PROSPECTS COLLEGE OF ADVANCED TECHNOLOGY

MEETING OF THE BOARD OF GOVERNORS

27 APRIL 2018

MINUTES

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

In attendance: Robin Jones Clerk to the Board of Governors
Ros Parker Principal
John Mockler Marketing Manager (item 626 only)

626 BOARD DEVELOPMENT SESSION – MARKETING AUTOMATION

The Marketing Manager provided a presentation on Marketing Automation and the use of the software that was now in the process of being introduced in the College.

A number of issues were highlighted including:

- The introduction of the software would not replace any of the plethora of existing Information Systems currently in use in the College, but it would have the benefit of setting the agenda for the College’s Marketing Team in the months to come as to what issues needed to be progressed
- One of the main benefits of the software was that it would enable the College to maintain contact with potential students with personalised content in between the application and starting a programme as this was usually a gap of many months
- The initial contact with the system providers was only five weeks ago but, given the effort of all concerned, it would go live in College as early as the following week

The Board agreed following discussion:

- 1 to welcome the introduction of the Marketing Automation software
- 2 to look forward to receiving updates on the benefits of the software at forthcoming meetings of the Board
- 3 to note that it was the intention of the Executive to engage additional support for the Marketing Team as and when it was thought to be appropriate to maximise the impact and having regard to the functions to be progressed at that time
- 4 to wish John Mockler well as he was leaving the College for a different employer closer to his home and to thank him for his contribution to PROCAT over the last 5 years

627 APOLOGIES FOR ABSENCE

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

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

628 DECLARATIONS OF INTEREST

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

629 BOARD MEMBERSHIP – RESIGNATION OF RUTH UMERAH

The Board agreed:

- 1 to note the resignation of Ruth Umerah from membership of the Board with effect from 14 April 2018 as a result of her appointment to a new post in the Midlands
- 2 to place on record the appreciation of Members for the contribution made by Ruth Umerah to the College over the last three and a half years

630 BOARD MEMBERSHIP – APPOINTMENT OF SUE DARE

The Board noted the appointment of Sue Dare to serve on the Board as an External Member following an email approval for a period of one year as from 18 April 2018.

The Chair, on behalf of the Board, welcomed Sue Dare to her first meeting and thanked her for accepting the invitation to serve as a member.

631 MINUTES OF THE MEETING OF THE BOARD OF GOVERNORS HELD ON 22 MARCH 2018

The Minutes of the meeting of the Board of Governors held on 22 March 2018 were agreed to be a correct record and were signed by the Chair.

632 MATTERS ARISING FROM THE MINUTES OF THE MEETING OF THE BOARD OF GOVERNORS HELD ON 22 MARCH 2018

The Board agreed that the items arising from the minutes of the last meeting requiring attention were addressed in the published agenda with the exception of the one relating to Prospects Learning Foundation (item 616 of the minutes of the last meeting).

633 PROSPECTS LEARNING FOUNDATION

Bala Mahendran and Rao Bhamidimarri confirmed their willingness to accept the invitation to become Trustees of PLF for the period to the point of the anticipated merger of PROCAT following the completion of the SPA process.

634 BUDGET – 2017/18 – MANAGEMENT ACCOUNTS

The Board received and discussed the Management Accounts for March 2018 (Period 8 of 2017/18).

In addition to a comprehensive commentary prepared by the Chief Executive the Management Accounts included:

- The Income and Expenditure Account
- Balance Sheet as at 31 March 2018
- Cashflow Forecast

The main points highlighted and discussed were:

- The position at Period 8 was better than the budget projection (by £61k) although it was explained that this would deteriorate in the remaining months of the year to 31 July 2018 because the Adult Education Budget (AEB) provision would not be delivered in house as had originally been planned
- The current deficit amounted to £820k
- The ESFA had confirmed as recently as 24 April 2018 that the College was permitted to subcontract the AEB allocation which had the benefit of enabling the College of avoiding clawback although there would be subcontracting costs, which at present, were not reflected in the projected budget outturn
- The College had put in place additional measures for monitoring subcontracted activity
- The proposed engagement of a VAT specialist to review the VAT position and to seek to minimise the impact on the College

The most significant factor for the College continued to concern the Cashflow Forecast and, specifically, the need to obtain a cash injection by early July 2018.

The Board agreed:

- 1 to note the Management Accounts for March 2018 and the various points highlighted during the presentation of the report
- 2 to note, in particular, the cashflow position and the need based on current projections for a cash injection by July 2018
- 3 to approve the planned action by the Chief Executive to make an application to the ESFA for Exceptional Funding Support for the period to the date of merger
- 4 to look forward to receiving the Management Accounts for April 2018, including the updated cashflow forecast, at the next meeting of the Board when account would be taken of the cost of subcontracting the AEB allocation

635 ESFA CASE CONFERENCE MEETING

The Board received the notes of the meeting of the ESFA Case Conference held on 11 April 2018.

One of the actions from the meeting was for the ESFA to provide the College with the Agency's Request for Exceptional Support so that consideration may be given to funding the negative cashflow which was projected to occur from July 2018 up to the point of merger.

The next Case Conference was scheduled to take place on 10 May 2018 following the SPA Group 2 meeting and these would continue on a monthly basis until further notice and possibly up to the date of merger.

636 RECOVERY PLAN – UPDATE

The Board received the report of the Chief Executive & Accounting Officer in respect of the Recovery Plan which provided the basis for a wide-ranging discussion including:

- a recognition that there was less red than the version presented to the Board on 22 March 2018 (red = needs prioritisation)
- there had been some progress since the last update on a range of initiatives
- the purchase order system was now in place and being used to track costs
- two appointments had been made to enable the Sales Team to be out of College with employers and others five days a week rather than having to spend time devoted to the associated administration duties
- a focus was being given to the internal progression opportunities to seek to maximise enrolment including the provision of progression workshops
- retention was an issue for the College and there were a number of factors including the relatively high turnover in staff which for some students had been a negative experience

The Board agreed:

- 1 to receive and note the Recovery Plan Update including the progress being made with a number of the items
- 2 to look forward to receiving a further update at the meeting of the Board scheduled for 17 May 2018

637 FE COMMISSIONER

The Board received an update on the Structure & Prospects Appraisal process including:

- the outcomes from the first SPA Group which had taken place on 11 April 2018 (the notes of the meeting were presented to the Board as a Part B confidential item on the grounds of the sensitivity of the SPA process)
- an invitation had been extended to a number of colleges, universities and other organisations to make known the extent of interest in becoming the merger partner for PROCAT
- Expressions of Interest were requested to be submitted by 4 May 2018 in time for shortlisting at the meeting of the SPA Group on 10 May 2018
- the FE Commissioner's Team were in the process of having one-to-one discussions with a number of stakeholders to obtain a view of how the College was seen in the wider community
- the colleges, universities and other organisations selected for shortlisting would then be invited to make a presentation to the SPA Group on 8 June 2018 prior to a final recommendation as to the merger partner being considered by the Board on 28 June 2018

Those colleges, universities and others interested in the prospect of a merger would be asked to complete a Non-Disclosure Agreement (NDA) to enable the College to release a pack of PROCAT specific information to assist in the preparation of the Expression of Interest and, indeed, to enable an organisation to determine if it wished to commit to making such a submission.

The Board agreed after discussion:

- 1 to note with interest the update on the SPA process including the timetable of events
- 2 to look forward to receiving a further update at the meeting of the Board on 17 May 2018 by which time the SPA Group 2 meeting would have taken place and the Expressions of Interest shortlisted for the final stage leading to a recommendation to the Board on 28 June 2018 as to the preferred merger partner
- 3 to confirm that, at this stage of the SPA process, the College had the three elements of Basildon, Canvey Island and TUCA and there was no wish to break up the constituent parts although this may warrant consideration at some stage

638 AUDIT AND RISK COMMITTEE – MEETING HELD ON 22 MARCH 2018

The Board received and noted the Minutes of the meeting of the Audit & Risk Committee held on 22 March 2018.

It was recalled that the main outcomes had been reported to the meeting of the Board which had taken place on the same day.

639 AUDIT AND RISK COMMITTEE – MEETING HELD ON 27 APRIL 2018

The Board noted that at the meeting held immediately before the meeting of the Board the Audit & Risk Committee had considered issues relating to:

- the Financial Statements for 2016/17
- the Annual Report of the Audit & Risk Committee for 2016/17
- Post 16 Audit Code of Practice for 2017/18 – issued by the ESFA in March 2018

The Minutes of the meeting of the Committee would be presented to the Board on 17 May 2018.

640 AUDIT & RISK COMMITTEE ANNUAL REPORT 2016/17

The Board agreed to receive and note the Audit & Risk Committee Annual Report for 2016/17.

641 FINANCIAL STATEMENTS 2016/17

The Board received and noted the following documents which had been reviewed by the Audit & Risk Committee on a number of occasions including most recently at the meeting held earlier in the day:

- Financial Statements for 2016/17
- Letter of Representation to the Auditors
- Self-Assessment of Compliance with Regularity and Propriety Requirements

The Management Report prepared by the Auditors had previously been reviewed and it was noted that an unqualified opinion had been given for both the Financial Statements and the Regulatory Audit.

The most significant issue – and the one that had to be addressed before the Financial Statements could be approved – concerned the normal “Going Concern” opinion. Given the present and projected financial health of the College, the Financial Statements for 2016/17

had been prepared on the basis that an “Emphasis of Matter” had been included as the basis of approval and publication – this being that a Structure & Prospects Appraisal would be progressed with a view to identifying a possible merger partner within the next few months.

The Board agreed, following review and having regard to the consideration given to the issues by the Audit & Risk Committee, to approve the Financial Statements for 2016/17 and other related documents for signature by the Chair of the Corporation Board and the Chief Executive & Accounting Officer.

The Board appreciated that, in accordance with the national requirements on colleges, the Financial Statements would be published on the College website.

642 RECRUITMENT, CURRICULUM & QUALITY PERFORMANCE REPORT

The Board received and considered the comprehensive report prepared by the Principal which addressed:

- Recruitment to Study Programmes, Apprenticeships, Adult Education and Commercial Provision
- Overview of organisational performance through the KPI monitoring tool
- Subcontractor performance with a focus on Creative Sport & Leisure as the largest subcontractor provider
- Overview of progress on the Quality Improvement Plan (QIP)
- Update on the organisational structure

The report prompted a wide-ranging discussion which included the acknowledgment that an increased number of students required additional support.

The Board agreed:

- 1 to thank the Principal for the presentation of such a detailed and informative report
- 2 to recognise the risks for the College particularly those associated with the performance of subcontractors
- 3 to support the actions of the Executive in progressing discussions with the ESFA on the Minimum Level of Performance (MLP) position to distinguish between programmes delivered by PROCAT and those by subcontractors
- 4 to place on record the importance for the College of continuing to focus on student performance and supporting learners and employers notwithstanding the demands of the planned merger process

Note: Rachel Richards left the meeting during this item

643 GTA ENGINEERING COMMITTEE – RESIGNATION OF DAVID WELLS

The Board:

- 1 received and noted with regret the resignation of David Wells from the position of Chair of the GTA Engineering Committee
- 2 agreed to place on record the appreciation of Members for the contribution of David Wells to PROCAT.

644 ESFA FUNDING ALLOCATIONS – 2018/19

The Board received and noted:

- 1 the ESFA indicative allocation for Adult Education for 2018/19 and the Advanced Learner Loan Facility (£361,743 and £12,407 respectively)
- 2 the ESFA indicative allocation for 16-18 year olds for 2018/19 which totalled £1,465,534 based on the national formula

645 GENERAL DATA PROTECTION REGULATIONS (GDPR)

The Board agreed to designate the Clerk to the Corporation Board as the Data Protection Officer to reflect the provisions of the new General Data Protection Regulations which made it problematic for any internal staff member to carry out the role on the basis of potential conflict of interest.

646 CALENDAR OF MEETINGS – 2017/18

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

- Thursday 17 May 2018 – proposed location Basildon at 1.30pm
- Thursday 28 June 2018 – proposed location Basildon at 1.30pm
- Thursday 19 July 2018 – proposed location Basildon at 1.30pm

Members had recognised that, given the range and importance of issues to be addressed, it may be appropriate to arrange additional meetings over and above the dates listed above.

647 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 648 to 653.

Signed: _____ Date: _____