

**PROSPECTS COLLEGE OF ADVANCED TECHNOLOGY**

**MEETING OF THE BOARD OF GOVERNORS**

**22 MARCH 2018**

**MINUTES**

**Present:** David Sherlock (Chair) External Governor  
Judith Abbott Chief Executive  
Jamie Deane Student Member  
Stephen Metcalfe External Governor  
Peter McKee 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

**598 APOLOGIES FOR ABSENCE**

The Board noted that apologies for absence had been submitted by Prof Rao Bhamidimarri, Bala Mahendran and Rachel Richards given other commitments.

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

**599 DECLARATIONS OF INTEREST**

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

**600 MINUTES OF THE MEETING OF THE BOARD OF GOVERNORS HELD ON 22 FEBRUARY 2018**

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

**601 MATTERS ARISING FROM THE MINUTES OF THE MEETING OF THE BOARD OF GOVERNORS HELD ON 22 FEBRUARY 2018**

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

**602 FE COMMISSIONER**

The Board received an update on a range of issues since receipt of the letter dated 9 February 2018 from the FE Commissioner which notified the Chief Executive that PROCAT had been referred for intervention:

- One of the Deputy FE Commissioners and an FE Adviser had visited the College on 5 and 6 March 2018 to meet with the Executive, Board Members and others to hear views and to review documentation

- The full report, which would not be shared with the College, had been completed and following review within the Department for Education it had been agreed that the Structure & Prospects Appraisal (SPA) could commence
- The summary report was expected shortly, and the College would have 48 hours to provide any comments on accuracy
- In time the summary report would be published and, therefore, the contents would be available to anyone interested to read including the media, employers and other colleges

The Chief Executive reported that the Deputy FE Commissioner had visited the College that morning and provided copies of the documents which would be considered at the first meeting of the SPA Group scheduled for 11 April 2018. These included the proposed outline project plan and the basis for developing and evaluating options.

The Board noted that the document “New Challenges, New Chances” was used by the FE Commissioner to evaluate proposals and this had been published in 2011. To supplement the provisions of “New Challenges, New Chances” and to provide potential merger partners with a clear indication of the views of the Board consideration was given to nine statements which it was proposed to share with the FE Commissioner’s Team with the intention that these would be made available as part of the information pack.

The membership of the SPA Group would consist of:

- 2 representatives of the FE Commissioner with the FE Commissioner probably joining the final meeting of the Group when the recommendation to the Board would be agreed
- 1 representative of the ESFA
- Representatives of the PROCAT Board
- Chief Executive of PROCAT
- Principal of PROCAT

The Board agreed, following discussion:

- 1 to note the update on issues associated with the visit to the College by the representatives of the FE Commissioner and the launch of the Structure & Prospects Appraisal (SPA)
- 2 to look forward to having sight of the report of the FE Commissioner following the visit to the College on 5 and 6 March 2018
- 3 to note that the first SPA Group meeting was scheduled to take place on 11 April and subsequent session were planned for 10 May and 8 June
- 4 to welcome the suggestion that representatives of Essex County Council, Basildon Council and Transport for London be invited to attend and contribute to the SPA Group process
- 5 that Sue Dare, a recently retired Principal, be invited to support the SPA Group as a person of experience in the education and skills sector
- 6 that the following five External Board Members be asked to join the SPA Group in recognition that other commitments were bound to reduce the number present on any one occasion – David Sherlock, Rao Bhamidimarri, Bala Mahendran, Peter McKee and Theo Steel

- 7 to approve the nine statements setting out the views of the Board in terms of the preferences for a merger partner as set out in Appendix A to these Minutes.

A number of other related issues were addressed which, at least for the time being, were thought to be sensitive and, therefore, are recorded in Part B of these Minutes which were only available to Board Members, the Executive and any others specifically designed to access.

### **603 BUDGET – 2017/18 – MANAGEMENT ACCOUNTS**

The Board received and discussed the Management Accounts for February 2018 (Period 7 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 28 February 2018
- Cashflow Forecast

The main points highlighted and discussed were:

- The position at Period 7 was slightly worse than the budget projection (by £15k)
- The College was seeking to mitigate the impact of the anticipated shortfall of activity funded under the Adult Education allocation – as explained to the Board on 22 February 2018 provision was scheduled for the summer term but this was unlikely to cover the allocation and, therefore, the option of subcontracting some of the allocation was being pursued although the associated costs were not included in the approved Budget for 2017/18
- The sub-contracting option had the benefit of protecting the Adult Education allocation for the next year
- There would be an increase in audit fees over and above the amount provided for in the approved Budget as recommended by the Audit & Risk Committee earlier in the day.

The most significant factor for the College concerned 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 February 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 which would be the subject of discussion with the ESFA
- 3 to look forward to receiving the Management Accounts for March 2018, including the updated cashflow forecast, at the meeting of the Board now scheduled for 27 April 2018 by which time there would have been discussions with the ESFA on the availability of exceptional support
- 4 to place on record the appreciation of Board Members for the presentation of the Management Accounts in such a clear and helpful format which, as with the reports for the last few months, were thought to be a great improvement on what had been provided to the Board previously.

## 604 RECOVERY PLAN

The Board received and discussed the report of the Chief Executive & Accounting Officer in respect of the Recovery Plan.

It was recalled that the associated narrative and the revised three-year Financial Plan had been approved previously by the Board.

The report provided an update on a range of related issues including:

- the small increase from the amount projected for the Study Programme allocation from the ESFA for 2018/19 (ie £62k)
- the need to agree the staffing establishment for 2018/19
- the key risks to the achievement of the Recovery Plan including the Adult Education allocation as explained in the previous item associated with the Management Accounts for February 2018
- the contact with the College Bank including the meeting attended by the Chief Executive on 16 March 2018 – further dialogue would be arranged including a consideration of moving to interest only payments once a clear merger strategy was in place

The Board then went on to review the Financial Recovery Implementation Plan which was colour coded with red indicating “needs prioritisation”, amber indicating “on track” and green “completed”.

It was pleasing to note that most actions were on track and the Executive was very much aware of those aspects needing prioritisation.

The Implementation Plan provided the focus for a wide-ranging discussion and the opportunity for Members to seek clarification and to challenge statements/assumptions.

- The arrangements in place in College to ensure that the Implementation Plan was a “live document” including the tracking by the SLT and the College Management Team to seek to ensure that no items were overlooked
- The crucial importance of recruiting to Study Programme and Apprenticeship provision in 2018/19 at around the funding allocation and target levels including looking to improve on the current conversion rate of 7:1 to 4:1 between applications and enrolment
- The decision by the SLT to make use of Marketing Automation which would enable more frequent communication with applicants and as appropriate employers than was possible when relying on staff interventions – it was thought that the College lost potential students because of the absence of regular “keeping warm” communication in the weeks and months leading up to the start of programmes
- The increased focus by the College on the use of social media rather than traditional marketing approaches
- The approach of the College to attending events in schools and other organisations such as job fairs as well as having open evenings etc so as to raise awareness of what was available and the benefits of applying to PROCAT
- The high staff turnover which had been the subject of attention in previous reports to the Board which had an impact on the quality of the student experience given the need to make cover arrangements

- The importance of identifying the right balance between establishment staff and part-time casual people
- The invitation to staff to identify possible budget savings had started to bring results with the delegation of budgets for the first time since incorporation being well received in increasing awareness and ownership

The Board agreed following discussion:

- 1 to welcome the clarity of the Financial Recovery Implementation Plan
- 2 to look forward to receiving further updates to the Implementation Plan at future meets of the Board so that Members may track progress and understand the reasons for any slippage as well as new emerging factors to be taken into account
- 3 that the job evaluation project be deferred for the time being.

#### **605 RISK REGISTER**

The Board received the updated Risk Register as presented to the Audit & Risk Committee earlier in the day (22 March 2018).

It was explained that, following a thorough review and discussion, the Audit & Risk Committee had agreed:

- 1 to welcome the continued approach of the Executive to having a robust and honest Risk Register
- 2 that a number of changes had been made to the latest version of the Risk Register having regard to changed circumstances such as the intention to identify a merger partner for PROCAT
- 3 that the Risk Register would be updated to reflect the discussion at the meeting of the Committee

#### **606 AUDIT AND RISK COMMITTEE – MEETING HELD ON 22 MARCH 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 Risk Register
- the Financial Statements for 2016/17
- the Annual Report of the Audit & Risk Committee for 2016/17
- the Financial Statements Auditors
- internal audit arrangements in 2017/18

The Minutes of the meeting of the Committee would be presented to the Board on 27 April 2018.

#### **607 AUDIT & RISK COMMITTEE ANNUAL REPORT 2016/17**

The Board agreed to defer consideration of the Audit & Risk Committee Annual Report for 2016/17 until at least the meeting scheduled to take place on 27 April 2018 so that it may be addressed at the same time as the Financial Statements – see the following item.

#### **608 FINANCIAL STATEMENTS 2016/17**

The Board agreed to defer consideration of the Financial Statements for 2016/17 until the meeting scheduled to take place on 27 April 2018.

## **609 FINANCIAL STATEMENTS AUDITORS**

The Board noted that at the meeting held earlier in the day the Audit & Risk Committee had reviewed the position with regard to the Financial Statements Auditors and in doing so:

- had noted that the appointment of HLB MacIntyre Hudson would end with the completion of the work associated with the Financial Statements for 2016/17
- had agreed to recommend to the Corporation that RSM UK be appointed as the Financial Statements Auditors for 2017/18 in the knowledge that the merger discussions would be progressed in the coming months.

The basis of the appointment of RSM UK without a full tender process was that they were listed on the CPC Framework Agreement.

The Board agreed:

- 1 to approve the recommendation of the Audit & Risk Committee that RSM UK be appointed as the Financial Statements Auditors for 2017/18 and beyond
- 2 to note that the audit fee for 2017/18 would be £38,750 plus VAT and that as this was more than provided for in the Budget for the year this would need to be addressed by the Executive.

## **610 PRINCIPAL'S REPORT**

The Principal presented an update on a number of issues:

- Student attendance – this remained high at 85% and mitigating actions were being implemented to bring about improvements where there concerns
- Student retention
- Out of Funded learners – the number continued to be reduced with 216 identified in September 2017 which was now 97
- Student Achievement – too early in the year for Study Programme learners but Apprenticeships were already showing positives which should go a long way in improving the out-turn achievement position to be reported at the year end
- Teaching, Learning and Assessment - the sessions observed to date were largely good or better – interventions were being progressed where support was thought to be appropriate
- Personal Development, Behaviour and Welfare – a focus had been on the prevention of gang crime and dealing with aggressive and threatening behaviour

The report provided detailed data and a commentary on all of the issues covered.

A significant factor for the College continued to be the poor planning of teaching and learning in the past although the arrangements now in place were bringing about improvements in the student experience and outcomes.

The Principal was thanked for an informative report which enabled Members to have a good understanding of progress and the issues giving any cause for concern

## **611 DIRECTOR OF BUSINESS DEVELOPMENT'S REPORT**

In the absence of the Director of Business Development the Principal presented the update report which covered a range of issues including:

- Student recruitment – 2018/19
- Commercial provision – 2017/18
- Business development activities
- Institute of Technology
- Mayor Construction Academy

Attention was given to the current position with regard to 2018/19 enrolment particularly in the context of meeting the targets set out in the Recovery Plan and revised Financial Plan.

Given the number of applications in the system to be progressed and the importance of meeting the funding allocation and College targets, the Executive had approved the appointment of 1.5FTE additional support. It was thought that this would make a lot of difference in providing an efficient and effective customer focussed service for potential students.

As this was the final report prepared by Helen Russell before she left the College a Member asked about the arrangements for covering the role. It was explained that many of the responsibilities had been passed to the Principal as this was thought to be the most appropriate arrangement with a further investment being made in the marketing function.

#### **612 GTA – REVIEW**

The Board received and approved the proposed new GTA model for PROCAT.

#### **613 GENERAL DATA PROTECTION REGULATIONS (GDPR)**

The Board was advised that the Executive had investigated the possibility of the Local Authority providing Data Protection Officer services as the new General Data Protection Regulations made it problematic for any internal staff member to carry out the role on the basis of potential conflict of interest. An alternative approach would now be considered so that the College was in a position to meet the responsibilities which came into force on 25 May 2018.

#### **614 EMPLOYER ENGAGEMENT STRATEGY**

The Board received and noted the Employer Engagement Strategy for 2018/19 which set out in detail the approach to be followed by the College including the key priorities:

- Reform the GTA model and increase employer participation in the GTA and in PROCAT events and campaigns
- Achieve a 20% increase in new levy paying employer and the same increase for vacancies from new and existing levy paying employers for 2018/19 – this would help to achieve a higher employer : apprentice ratio
- Diversity the product range with all employer customers eg apprenticeships and CPD and tap into new/different markets to increase the uptake of apprenticeships
- Establish and improve effective and timely interactions with employers, including the online booking system for CPD
- Improve ongoing account management for all employers

#### **615 MARKETING & RECRUITMENT STRATEGY 2018 TO 2019**

The Board received and noted the comprehensive documents setting out the proposed Marketing & Recruitment Strategy for the period 2018 to 2019.

It was recalled that the five key priorities had been noted by the Board at the meeting held on 22 February 2018 (item 581). These were as follows:

- to achieve a 25% increase in applications from female and BAME applicants
- to achieve a conversion rate of applicants of learners of at least 1:4 and ideally 1:3
- to increase high quality student applications through effective marketing activities, increased attendance at open events (by at least 10%) and launching the Alumni to support progression recruitment
- to improve the on-boarding process ensuring effective and timely communications to applicants from attracting them to apply through to enrolment
- to increase new levy paying companies working with PROCAT for apprenticeship recruitment (by 20% / 5 additional companies)

The Board asked for the views of the Executive on the achievement of the various activities particularly at a time when there were so many other priorities including those associated with the FE Commissioner led Structure and Prospects Appraisal which should lead to the merger of PROCAT with another college, university or organisation. It was explained that the Executive would decide very soon how best to respond to the opportunities which could include the engagement of an Interim Marketing Manager.

In response to a question from a Member, it was reported that KPIs were being put in place to track recruitment.

The Board agreed:

- 1 to welcome the Marketing & Recruitment Strategy and the Marketing Strategy Implementation Plan
- 2 to look forward to receiving updates on progress at forthcoming meetings.

## **616 PROSPECTS LEARNING FOUNDATION**

The Board noted that the main role of the Prospects Learning Foundation (PLF) was to employ the staff with the exception of the designated Senior Post Holders. It was essential, therefore, to have a number of named Trustees to exercise oversight and to approve the annual Financial Statements.

At present the Trustees were noted to be the Chief Executive, Principal and Theo Steel.

The Board agreed:

- 1 to invite Bala Mahendran and Rao Bhamidimari to become Trustees of PLF for the period to the point of the anticipated merger of PROCAT following the completion of the SPA process
- 2 to note that, in all likelihood, the PLF Board would only need to meet to consider the annual Financial Statements and any issues arising from the merger process
- 3 to recognise that acting as a Trustee brought with it responsibilities and potential liabilities which needed to be confirmed and insurance cover provided

**617 FINANCIAL NOTICE TO IMPROVE**

The Board noted that the first of the monthly Case Conference meetings with the ESFA as a result of the receipt of the Financial Notice to Improve would take place on 11 April 2018 and would be attended by, at least, the Chair of the Board, the Chief Executive and the Principal.

The outcomes from the regular meetings with ESFA, including actions taken, would be reported to the Board.

**618 CALENDAR OF MEETINGS – 2017/18**

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

- Friday 27 April 2018 – location Basildon at 11am
- 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.

**619 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 620 to 625.*

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

## Corporation Board Meeting Minutes 22 March 2018

### Appendix 1

### First draft criteria for selection of a merger partner

Date: 27 April 2018

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1. The merger should advance the College mission: to develop STEM apprenticeship education in the service of UK industry up to degree level so that young people of ambition and commitment can advance as far as their abilities permit.
  2. The merger should sustain exemplary facilities which both serve and attract capable people to careers in the Thames Gateway: “a technical university on the German model”.
  3. The merger should contribute to the development of regional centres capable of providing consistent programmes of learning to employer partners, wherever required in the UK.
  4. The merger should improve a capacity to innovate in the breadth, the sophistication and the efficient means of delivery of the curriculum.
  5. The merger should offer savings such that the College can deliver margins sufficient to sustain and extend its technological capability.
  6. The merger should offer professional support and development opportunities to staff, such that a first-class workforce can be sustained, balancing technical and pedagogic excellence.
  7. The merger should retain key staff.
  8. The merger should offer applicants and students a distinctive learning experience which assists them in achieving their career goals, sustains them throughout a working lifetime, and develops all the attributes required for active citizenship.
  9. The merger should offer the benefits of scale: that is greater financial security; access to greater breadth of relevant expertise; additional development capability; greater opportunities for staff career progression; and an enriched and extended opportunity for students.
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