

Minutes of the Corporation Meeting

held on Wednesday 29 June 2016

Present Leslie Williams (*Chair*), Ian Jewkes (*Vice Chair*), Keith Bate (*Principal*), Jane Chan, Karen Cocker, Andrew Hanson, Mark Johnson, Helene Jones, Allison Matthews, Peter Mitchell, Alison Perks

In attendance Joanne Williams (*Deputy Principal, Director of Learning and Teaching*)
Jacquie Carman (*Director of Finance and Corporate Services*)
Jennifer Sunter (*Clerk to the Corporation*)

1 Apologies

Apologies had been received from Harvey Owen and Geoffrey Elliott.

2 Declarations of Interest

Staff present declared their interest in agenda item 6.7 Mutual Dividend Payment Scheme.

3 Minutes and Matters Arising

The minutes of the Corporation meeting held 25 May 2016 were approved as a correct record.

Under actions from previous meetings, items dated for review in June 2016 were addressed under the agenda.

4 Governance

4.1 Appointments

Student Governor Designate

The Clerk reported that Monika Zilionyte had been elected as the Student Governor.

Membership of Halesowen College Enterprises

Keith Bate explained that as a wholly owned subsidiary it was appropriate that the Corporation endorse appointments to Halesowen College Enterprises. The company wished to appoint Andrew Hanson as a Director.

The Corporation resolved that

- **Monika Zilionyte be appointed as the Student Governor from 1 August 2016 to 31 July 2017, subject to satisfactory completion of required eligibility criteria.**
- **The Corporation endorsed the proposed appointment of Andrew Hanson as a Director of Halesowen College Enterprises.**

4.2 Election and Appointments of Chairs, Vice Chairs and Committee Membership

Leslie Williams vacated the Chair and the Clerk called for nominations for the role of Chair. Leslie Williams was nominated by Andy Hanson and seconded by Karen Cocker. There were no further nominations and Leslie Williams was duly elected.

Leslie Williams resumed the Chair and called for nominations for the role of Vice Chair. Ian Jewkes was nominated by Jane Chan and seconded by Peter Mitchell.

There were no further nominations and Ian Jewkes was duly elected.

The Clerk explained that the table of membership provided depicted the position as of 1 August 2016 to assist members in consideration of committee membership and appointments to office.

Following discussion, membership of the Audit and Assurance Committee and Search and Governance Committee was agreed.

The Chair sought nominations for the role of Chair of the Audit and Assurance Committee. Harvey Owen was nominated by Leslie Williams and seconded by Ian Jewkes. There were no further nominations and Harvey Owen was duly elected.

The Chair sought nominations for the role of Vice Chair of the Audit and Assurance Committee. Mark Johnson was nominated by Ian Jewkes and seconded by Karen Cocker. There were no further nominations and Mark Johnson was duly elected.

The Chair sought nominations for the role of Chair of the Search and Governance Committee. Ian Jewkes was nominated by Helene Jones and seconded by Mark Johnson. There were no further nominations and Ian Jewkes was duly elected.

The Chair sought nominations for the role of Vice Chair of the Search and Governance Committee. Helene Jones was nominated by Ian Jewkes and seconded by Karen Cocker. There were no further nominations and Helene Jones was duly elected.

The Corporation resolved that

Leslie Williams is appointed as Chair of Halesowen College Corporation for the period 1 August 2016 – 31 July 2017.

Ian Jewkes is appointed as Vice Chair of Halesowen College Corporation for the period 1 August 2016 – 31 July 2017.

Harvey Owen is appointed as Chair of Audit and Assurance Committee for the period 1 August 2016 – 31 July 2017.

Mark Johnson is appointed as Vice Chair of Audit and Assurance Committee for the period 1 August 2016 – 31 July 2017.

Ian Jewkes is appointed as Chair of Search and Governance Committee for the period 1 August 2016 – 31 July 2017.

Helene Jones is appointed as Vice Chair of Search and Governance Committee for the period 1 August 2016 – 31 July 2017.

The membership of Committees for the period 1 August 2016 – 31 July 2017 be

Audit and Assurance Committee:

**Harvey Owen (Chair)
Mark Johnson (Vice Chair)
Peter Mitchell
Claire Simmonds (co-optee)**

Search and Governance Committee:

**Ian Jewkes (Chair)
Helene Jones (Vice Chair)
Keith Bate
Leslie Williams
Mark Johnson**

It was further agreed that Karen Cocker, Geoffrey Elliott and Peter Mitchell remain and that Helene Jones join the panel of members formed as the basis for committees called under the Disciplinary and Grievance Procedures.

4.3 Corporation Delegation – Disciplinary and Grievance Policy and Procedures

The item was deferred.

Karen Cocker however sought clarity on timescales for addressing procedures and training. Leslie Williams responded that it was envisaged that this could be addressed by September 2016.

4.4 Revisions to Instrument and Articles of Government, Standing Orders and Committee Terms of Reference

The Clerk outlined minor amendments to the key governance framework documents.

The Corporation resolved to approve the amendments to Instrument and Articles of Government, Standing Orders and Committee Terms of Reference.

5 Audit and Assurance Committee

5.1 Audit and Assurance Committee Minutes of the meeting held 7 June 2016

The minutes were received.

Andy Hanson summarised the scope of work undertaken by the Committee highlighting reports being provided for Corporation consideration. Internal audits had also been received with good levels of assurance provided and minor points for address.

5.2 Regularity Audit Annual Self-Assessment

Members recognised the broad base of information and assurances sought under regularity self-assessment.

The Corporation considered the self-assessment of compliance with regularity and proprietary requirements and approved that this be signed by the Chair and the Accounting Officer of the College before being submitted to external audit as part of the regularity audit process for 2015/16.

5.3 Audit and Assurance Plan 2016/2017

Andy Hanson recommended the plan to members noting that this was subject to review in the autumn term following completion of the risk assessment process. Jacquie Carman noted that the plan was subject to change as required.

Leslie Williams asked if there was any perception of specific risks to the College following the recent referendum on Great Britain's membership of the European Union. Jacquie Carman outlined both the current risk profile and that there could also be opportunities arising from a period of change. Keith Bate responded that the College awaited information on impact to public sector bodies but was under no specific risk. The College had little European Social Funding and few overseas students.

The Corporation noted the Audit and Assurance Plan 2016/2017 which was subject to review in the autumn term

5.4 Internal Audit Appointment 2016/2017

Andy Hanson reported that the Audit and Assurance Committee had reviewed performance of the Internal Audit providers and were assured that this was good.

The Corporation resolved to re-appoint TIAA as Internal Audit Service providers for 2016/2017.

6 Strategic Overview

6.1 External Review

Keith Bate reported that the internal quality audit undertaken by Dan Grant Associates Ltd had been a positive experience for the College staff and governors which reinforced that the College was good, highlighted strengths and also listed areas that required further improvement.

It was proposed that an action plan, linked to the College Annual Plan for 2016/17 should be considered by members at their July 2016 meeting.

Keith Bate further noted that a Safeguarding Audit had also been undertaken to ensure that the College had assurance.

Joanne Williams confirmed that most actions from the review would be recognised in the Annual Plan for 2016/17. The work of Dan Grant and his colleagues had been positive and supportive. It was particularly helpful to have opportunities for external reviews of English and Maths, joint lesson observations, high needs learners and to moderate the College Self-Assessment Report.

Leslie Williams asked about the use of quantitative data and Joanne Williams noted that this would be provided in the Self-Assessment Report. Keith Bate also highlighted that Dan Grant and Ian Goodwin were invited to attend the Corporation Strategic Planning event in January 2017.

Action 6.1a It was agreed that an action plan would be put in place for members to consider at the July 2016 Corporation planning meeting in association with the College Annual Plan 2016/17.

The report was received.

6.2 Area Based Review

Leslie Williams outlined the broad conclusions from the Area Based Review Steering Group, which met on 21 June 2016. The Black Country Colleges demonstrated co-operative and collaborative approaches and subject to some small areas of work, a draft report was expected for consideration at the final meeting, scheduled for 20 July 2016. It was therefore envisaged that the outcomes could be considered at the Corporation meeting in July 2016.

Leslie Williams wished to record recognition of the additional burden of work on the Principal and staff and highlighted the work of the Principal in convening and supporting the Black Country Principals Group.

The report was received.

6.3 Student Applications

Keith Bate reported on the high level of student places accepted and the lower rate of withdrawals.

Helene Jones asked if the student demographic profile was the same across all areas. Keith Bate confirmed that overall the profile was down.

The report was received.

6.4 Shared Services

A summary of areas appropriate for shared service delivery was received. Advice had been taken from the College's legal and accountancy providers and proposals discussed by the Directors of Halesowen College Enterprises, who wished to proceed.

Halesowen College Enterprises sought the sanction of the Corporation to move forward which would require the immediate approach to the setting up of a company, as appropriate.

Mark Johnson and Ian Jewkes asked questions about current cleaning and catering provision and contracts. Jacquie Carman answered that current contracts were ending.

The Corporation resolved to authorise the Principal to proceed in the establishment of a shared services company in accordance with the advice from Shakespeare Martineau and RSM UK with King Edward VI College, Stourbridge. At this stage, the extent of services falling within the scope of the company would be catering/retail and cleaning/premises services with a report on any actions and progress being made to the Corporation

6.5 Launch of Block 13 and 50th Celebrations

Keith Bate confirmed that Block 13 should be completed and handed over to the College on 22 August 2016 with a planned launch on 2 September 2016. There would also be the exhibition and afternoon tea to celebrate the College's 50th anniversary on 21 July 2016.

6.6 Planning 2016/2017

Members agreed that the Corporation Planning meeting be rescheduled for Monday 18 July 2016 at 6.00pm. The meeting was provided for a half year review of strategy and performance, looking forward to the next year. It was agreed that the meeting would focus on the outcomes of the Black Country Area Based Review, the outcomes of the External Review and the Annual Plan for 2016/2017.

6.7 Mutual Dividend Payment Scheme

The Mutual Dividend Payment Scheme had been agreed in principle for 2015/2016. Keith Bate reported that subsequent budget position and operating surplus provided the basis for providing 1% of the pay budget under this scheme.

The Principal indicated that it was appropriate that he should not be included in the scheme.

Leslie Williams asked about reduction in the non-pay budget and Jacquie Carman outlined the efficiency costs undertaken including the end of additional premises usage and reduced utility costs.

Keith Bate further noted that a change to shared service provision would also impact the budget balance of pay and non-pay.

The Corporation resolved to authorise the Principal to distribute £137,000 as a one-off non-superannuation payment to staff in accordance with the Mutual Dividend Scheme conditions that operated in 2013/14.

6.8 Investment and Property Strategy 2016-2020

Keith Bate reported that the College had almost completed its current estate programme, however a bid would be submitted to the Local Enterprise Partnership for remaining work, that of refurbishment to Whittingham Road Campus, Block 3.

It was now appropriate to consider the strategy going forward. The Investment and Property Strategy 2016-2020 was provided and included a range of options.

Keith Bate noted the potential to secure further assets to broaden the curriculum base, if affordable.

Leslie Williams challenged the aim for the College to have 98% of accommodation categorised as Good or Very Good by 2020. Jacquie Carman explained that this was a practical target based on an assumption that work across the estate would always be required.

The Corporation resolved to adopt the Investment and Property Strategy 2016-2020 and that any major schemes would be further considered at the Corporation meeting agreed for 18 July 2016.

7 Monthly Performance Information

7.1 Finance

Karen Cocker sought reassurance regarding overspend under the Learner Support Fund. Jacquie Carman outlined the reasons in relation to childcare provision and that going forward these had been resolved. Jacquie Carman also reported that some recycled funding from the previous year had been received and that the College had also applied to the Skills Funding Agency to address overspend.

The update was received.

7.2 Students Learning and Teaching

The update was received.

7.3 Staff and Accommodation

The update was received.

8 Students, Teaching and Learning

8.1 Student Charter

Joanne Williams shared that there had been additional student feedback during the recent External Review Mock inspection. In particular the quality of student teaching and support was noted.

Leslie Williams highlighted the increase in students seeking counselling services for anxiety and depression.

The report was accepted.

9 Finance Reports

9.1 Review of Revenue Budget 2015/16

Jacquie Carman reported that the College remained financially strong with outstanding financial health and an increased surplus. The allocation of funds for the Mutual Dividend Scheme, now agreed, would be included. The College would still meet financial targets and was on target to meet the forecast level of surplus.

Leslie Williams commended the remarkably strong performance and that the College was not complacent, with action taken to ensure necessary cost reductions.

The Corporation resolved to approve the Review of Revenue Budget 2015/2016 dated June 2016.

9.2 Financial Plan 2016-18

Jacquie Carman highlighted that the forecast provided reflected FRS 102 requirements and would remain as a living document to be revised across the year.

With regard to a change in financial ratios it was calculated that the College would maintain an outstanding financial rating for the next two years of the financial forecast. The forecast was based on a strong first year with a modest approach to the second year. The pay profile had identified reductions to meet reduced income for the year ahead. Key risks included National Living Wage, pensions and National Insurance increases.

Members considered the completed Financial Planning Checklist, as provided by the Skills Funding Agency to increase the scrutiny of plans by College Corporations.

Karen Cocker asked what strategic approach would be taken should the reduced income in relation to student recruitment continue on a downward trajectory. Keith Bate responded that the current reductions in 16-18 student numbers had been in part counteracted by increased Higher Education students and other income streams. Financial planning remained conservative, however if required the lagged funding model and the level of operating surplus afforded the opportunity to further reduce staff provision in relation to student numbers.

The Corporation resolved to approve the Financial Plan 2016-2018.

9.3 Revenue Budget 2016/17

The Revenue Budget for 2016/17, in line with year one of the Financial Plan 2016-2018 was considered. This included assumptions on income, pay and non-pay and both the capital programme and financial targets for the year ahead. Increased facility for 19+ learning loans was also noted.

Leslie Williams noted that under FRS 102 the financial ratio of surplus as a percentage of income was no longer applied and instead members would be updated on a new ratio of EBITDA (earnings before interest, taxation, depreciation and amortisation).

The Corporation resolved to approve the Revenue and Capital Budgets for 2016/17 including the associated financial targets.

9.4 Halesowen College Enterprises Business Plan

Members acknowledged that the business plan for the period August 2016 to July 2019 could be impacted by a range of factors including planned Shared Services development, a reduction in the Learner Support Fund and subsequent student purchases through College outlets and National Living Wage impact upon staff salaries.

The Halesowen College Enterprises Business Plan would need to be reviewed following development of Shared Services.

The Corporation resolved to approve the Halesowen College Enterprises Business Plan August 2016 to July 2019.

9.5 Gift Aid

Jacque Carman explained that as Halesowen College Enterprises would wish to make Gift Aid Payments and was a wholly owned subsidiary of Halesowen College, the Corporation were required to agree accounting treatment.

Members noted that the Directors of Halesowen College Enterprises Limited would determine the value of a covenant to be made to The Halesowen Foundation/Halesowen College or any other recipient(s) from the 2015/2016 surplus on 4 July 2016.

The Corporation approved the accounting treatment of any such covenant, that being, to account for Gift Aid in the 2015/16 accounts.

9.6 Treasury Management Policy

The annual update was considered. Jacquie Carman noted the scope of treasury management and compliance with statutory regulation.

The Corporation resolved to approve the revisions to the Treasury Management Policy as dated June 2016.

10 Any Other Business

There was none.

11 Date of Next Meeting

The next meeting of the Corporation is agreed as 6pm on 18 July 2016.

The meeting closed at 7.55pm

Actions from meetings			
Ref	Agenda item and action	Date/item for review	Reported by
Corporation Meeting 25 November 2015			
6.1	College Self-Assessment Report and Development Plan It was agreed that revised reporting should more clearly illustrate movement in performance, to be addressed within the Faculty Director reports provided within the annual cycle of business.	July 2016	KDB
Corporation Meeting 9 January 2016			
4	Implementing the Strategic Plan and Priorities for the Corporation 2016–2017 Strategic Priorities for the Year Ahead		
4b	It was agreed that the senior management team would address the strategic review outcomes in light of the Area Based Review and return a report to the Corporation.	Summer 2016	KDB
4d	Reflection on development, contraction and working differently: Joanne Williams to prepare a report for Corporation on analysis of areas regarding opportunities, problems and viability.	April 2016 Revised to July 2016	JWi/KDB
Corporation Meeting 23 March 2016			
10.3a	Budgeting Policy It was agreed that a key review report would be provided for the Corporation in August or September 2016.	Aug/Sept 2016	JCa
Corporation Meeting 25 May 2016			
5.1a	Strategic Overview – External Review A schedule of proposed activities to take the College forward would be provided.	July 2016	KDB
Corporation Meeting 29 June 2016			
6.1a	External Review It was agreed that an action plan would be put in place for members to consider at the July 2016 Corporation planning meeting in association with the College Annual Plan 2016/17.	July 2016	KDB