



Minutes of the Corporation Meeting held on Monday 10 July 2017

Present: - Professor Daniel Howard (Chair)
Miss Rachel Alferoff
Ms Abigail Appleton (Principal)
Professor Robin Baker
Mrs Lynn Forrester-Walker
Mr Neil Hadfield
Dr Elizabeth Halford
Mr Mervyn Jones
Mrs Alison McLean
Mr Tim Newsholme
Mr John Nicol
Mr Mike Rookes
Ms Kay Sandford-Beal
Mr Oliver Tomlinson

In attendance: - Mr Tim Williams (Finance Director)
Mrs Linda Watkins (Clerk to the Governors)
Mr Ben Gamble (Head of FE designate)

The meeting was quorate as fourteen Governors were present during the meeting.

1. Process of the Meeting

- I. Apologies for Absence: Ms Mairead McVeigh, Mr Scott Rolfe, Ms Katie Seekings, Mrs Wendy Tolley and Mr Jim Walmsley (Vice Principal).
- II. Chair's Remarks and Correspondence: The Head of FE designate was joining the meeting as an observer. The Chair welcomed him; introductions followed.
- III. Declarations of Interest: Mervyn Jones and Alison McLean: appointment of Chair and Vice Chair.

2. Minutes of the Last Meetings

- I. Approval of the minutes of the last meetings: The minutes of the Board meeting held on 24 April 2017 were agreed and signed by the Chair as a true record.
- II. Action List: Noted showing progress of actions and matters arising. The Principal and Clerk had discussed Link Governors and proposed that Governors remain with the same link areas for 2017/18 unless they specifically requested a different area; this was agreed.
- III. Matters arising from the Minutes: No further items.
- IV. Development session: Noted.

The Board agreed: -

- To approve the minutes

3. KPIs and Dashboard

The dashboard had been updated following the last meeting. HE and FE applications and acceptances remained the crucial areas to monitor. FE was volatile following the demographical decline of 16 year olds in the county which would continue for the next few years. The College is

working with schools to tailor resources to areas of interest in partner schools. A Governor asked if the College works with primary schools and if children are invited to events in the College. Secondary schools are invited into College regularly and there are a smaller number of occasions when we also invite Primary School aged children in. Another question followed as to whether there was a pattern on subject based areas for recruitment noting that there was not; however, a small decrease in applications would have more impact as there are relatively small numbers on courses. The F&GP Committee had discussed course costings which would be dovetailed to the overall strategic review during the coming year. The Student Governor commented that some school leavers are uncertain about their career paths and may not choose art and design for their post-16 choice. The Foundation course had attracted students with a wide range of A Levels which highlighted the importance of publicising different entry points into the College. HE publicity should include options for students who have not achieved A Levels in the arts.

HE firm acceptances were currently c110 with the budget for 2017/18 based on 120. It was anticipated that recruitment would be marginally above this level. The Principal commented that marketing and communication remain of paramount importance. The new brand was being launched with distinctive elements of courses being identified to use in offers. Governors agreed to have further discussion on distinctiveness. There was a question about the percentage of HE applicants who are interviewed but decline offers noting that this was a small number. FE students are given advice on progression including internal progression opportunities.

The Board agreed: -

- To note progress to date against KPIs and actions to address areas RAG rated red

4. **Principal's Report**

The Principal outlined her report, specifically the following areas: -

- I. There were high levels of interest in the MA Fine Art concluding that the MA portfolio required further strategic consideration. SLT are conducting a review of all courses reviewing recruitment opportunities, competition and curriculum development to form part of the vision and recruitment strategy.
- II. The employability offer is being enhanced as the enterprise programme. This will be available to all students and graduates to equip them with business and employability skills in the creative industries. A Governor suggested using the HE achievement record to capture achievement, evidence and articulate skills.
- III. There had been a soft launch of the College's new brand and visual identity at the Summer Show. The F&GP Committee had discussed some strategies to implement the brand such as the 2018 prospectus, updating the website and signage.
- IV. Delivery of safeguarding and the Prevent Agenda would be thoroughly reviewed during the summer. Some questions had been raised from a Governor in response to the Governors' on-line training. This would be addressed in a briefing for Governors to be arranged for September. **ACTION: L WATKINS/A APPLETON**
- V. Student feedback had requested quiet break-out spaces; areas were being created at both campuses. FE students have been involved in the design of the area at Folly Lane Campus.
- VI. The College was discussing the option to extend the lease of CRC

- with RNC's property agents.
- I. Discussion regarding student accommodation is continuing with Herefordshire Council, specifically potential property developers to build dedicated student accommodation available by September 2018. NMite was also reviewing its accommodation options and facilities; the Principal had been involved in some discussion. A Governor suggested exploring the option to deliver some subjects collaboratively with NMite and if Governors could be involved in NMite in some capacity. A working group had been established with some HE staff to develop academic collaboration with a joint workshop arranged in September to identify collaborative opportunities. The Principal explained that NMite would have its development cohort of students in 2018 which would build the curriculum for recruitment in 2019.
 - II. The TEF results would be used as a basis to achieve gold status in future.

The Board agreed: -

- To thank the Principal for her informative report
- To congratulate the College on the excellent achievement of a silver award in the TEF

5. **Risk Management Report and Risk Register**

The Finance Director presented the risk register which covered key risks which had been discussed within the KPIs and Principal's report. A Governor commented that the risk relating to quality of provision was scored red challenging if this should be reduced. The Finance Director explained that it is important to continue to maintain high quality provision and that the risk of a negative outcome from an Ofsted inspection could impact on quality and reputation. Members of the AQ&S Committee reiterated that the Committee had discussed if the level of this risk should be reduced to amber based on robust quality measures which had been embedded. Based on the rubric and feedback from AQ&S Committee a suggestion had been made to reduce the quality to amber. SLT were requested to discuss risks and ensure that scores were adjusted as appropriate. **ACTION: T WILLIAMS**

The Board agreed: -

- To note the risk register which SLT would amend following discussion

6. **2017/18 College Budget and Financial Forecast**

The Board is required to approve the College budget by 31 July 2017 for submission to the Education Skills Funding Agency (ESFA). The F&GP Committee had discussed the budget agreeing some minor amendments which had been incorporated and were reported in the commentary.

The Finance Director outlined the commentary whilst presenting the financial plan. He explained assumptions, projected income and expenditure whilst answering questions from Governors.

The ESFA software calculated the College's financial health as outstanding in 2016/17, good in 2017/18 and 2018/19. These are measured on the adjusted financial ratio, borrowing and EBITDA (earnings before tax, depreciation and amortisation). The forecast showed a deficit in 2017/18 after EBITDA; however, the College had a strong cash balance.

The ESFA financial plan ignores HE enrolments; however the budget assumed 120 new first year HE students and c140 in 2018/19 following targeted marketing. The F&GP Committee had requested course costings for new courses. There was discussion about the staff costs as a percentage of pay

noting that these differ in FE and HE; the FE percentage was c63%. The staff:student ratio needed to be reduced and within the ESFA recommended percentage which would have an overall impact on finances. An increase in HE recruitment would have a positive effect on the budget. There were no major capital projects during the year; however, options to make investments into the College and its systems to improve efficiency were being explored. The College has a healthy cash balance which would remain strong in the foreseeable future.

There was a comment that HE is the higher income stream noting that if recruitment was lower this year, it would have an impact for three years. HE retention was 81% against 90% in the sector; this would also impact on income. Concern was expressed at the 19% loss of students from a three year cohort asking what actions were being taken to improve this. The Principal responded that the College is currently recruiting a Well-being Officer. Further analysis was required to identify reasons students leave courses and any collective actions to address these. The admissions policy could potentially have an impact on retention.

The Board agreed: -

- To approve the 2017/18 budget and financial forecast
- To note the SFA financial checklist showing that the College complied to this
- To thank the Finance Director for preparing the budget

7. I. Audit Committee: 13 June 2017

The Committee Chair presented the minutes requesting the Board to approve the following items: -

- A. Internal Auditor's Plan (RSM) 2017/18-2019/20 which had been prepared by the Auditors in consultation with the Finance Director considering the College's strategic plan, risk register and sector requirements.
- B. Appoint Mazars as the College's financial Statements Auditors following a joint tendering process with Herefordshire and Ludlow College.
- C. Approve the Financial Statements Auditor's (Mazars) Audit Strategy and Planning Memorandum 2017 which had been circulated to the Audit Committee for comments before making a recommendation to the Board.
- D. Approve the Risk Management Policy, (subject to changes to scoring following discussion during the meeting).

II. Search and Governance Committee: 26 June 2017

The Committee Chair outlined the following items: -

- A. Professor Robin Baker to join the F&GP and S&G Committees.
- B. [Mervyn Jones left the meeting]. Following a robust process, Governors were asked to approve the recommendation from the Committee to appoint Mervyn Jones as Chair of the Corporation with effect from 1 September 2017; this was unanimously agreed.
- C. AoC Code of Good Governance: Principles and values and evidence showing how these are achieved had been discussed by the Committee and issues for information.
- D. Adoption of the business timetable 2017/18
- E. Approval of the Scheme of Delegation
- F. Fellows were outlined who were extremely positive about the College and supporting students. A Governor enquired about the process to select Fellows noting specific criteria is followed. Governors and staff are invited to contribute ideas of potential

Fellows.

III. Finance and General Purposes Committee: 26 June 2017

The Committee Chair reported that in addition to the budget which had dominated discussion, the Committee recommended the following for approval: -

- A. Financial Regulations
- B. Treasury Management Policy
- C. Health and Safety Policy Statement and Organisation

IV. Academic Quality and Standards Committee: 19 June 2017

The Committee Chair reported that key issues discussed by the Committee had already been discussed during the Board meeting. Next year the Committee would be divided into separate meetings to focus on HE and FE.

The Board agreed: -

- To approve the Internal Auditor's Plan (RSM) 2017/18-2019/20
- To appoint Mazars as the College's Financial Statements Auditors
- To approve the Financial Statements Auditor's (Mazars) Audit Strategy and Planning Memorandum 2017
- To approve the Risk Management Policy, (subject to changes to scoring).
- To appoint Professor Robin Baker onto the F&GP and S&G Committees
- To appoint Mervyn Jones as Chair of the Corporation for 2017/18 with effect from 1 September 2017
- To adopt the business timetable 2017/18 which was a working document
- To approve the Scheme of Delegation
- To approve the Financial Regulations
- To approve the Treasury Management Policy
- To approve the Health and Safety Policy Statement and Organisation which would be signed by the Principal and current chair. The new Chair from 1 September 2017 would also sign this. **ACTION: A APPLETON/D HOWARD/M JONES**

8. Annual items for approval

- I. Appointment Chair and Vice Chair of the Corporation 2017/18: The Chair had been appointed under item 7.II. The Clerk reminded Governors that eligible Governors had been given the opportunity to express interests. [Alison McLean left the room for discussion as she was willing to continue as Vice Chair subject to acceptance by the Board]. It was noted that her second term in office would end next year.
- II. Board's self-assessment: This was part of the Governors self-assessment and completed with evidence provided.
- III. Corporation's terms of reference: These were reviewed with no changes to duties proposed.

The Board agreed: -

- To appoint Mervyn Jones and Alison McLean as Chair and Vice Chair for 2017/18 respectively
- The Board was effective and adequately met the requirements of its terms of reference.
- No changes were required to the Board's terms of reference

9. Management Accounts to 31 May 2017

The F&GP Committee had discussed the management accounts. It was encouraging that the year to date deficit was £82,000 against a budgeted deficit of £195,000. Overall, the full year forecast had improved significantly with the deficit reduced to £79,000. Reasons were outlined in the commentary. The College has a strong balance sheet with a cash balance of £2.9M.

The Board agreed: -

- To note the management accounts to 31 May 2017

10. Link Governor Feedback

Mervyn Jones had visited Finance and Registry Department. He had arranged to visit photography. He commented that he had attended the Health and Safety Committee as the Lead Governor along with the Principal which gave a strong message to staff that the Board are committed to health and safety.

The Board agreed: -

- To note the verbal report

11. Any Other Business

Thanks were recorded to the outgoing Student Governor Rachel Alferoff for her commitment and contribution to the Board and Professor Howard who had effectively chaired and steered the Board for the past four years. Professor Howard thanked everyone for their support to lead and direct the College which delivered high quality provision, with strong finances and its new brand identity.

12. Date and Time of Next Meeting

Development Session and Board meeting on Monday 16 October 2017 commencing at 4.30pm and 5.30pm respectively.

[Staff Governors and Managers left the meeting for a confidential discussion which was recorded in a separate minute]

13. Confidential minutes

- I. Approval of confidential minutes: The minutes of the confidential Board meeting held on 24 April 2017 were agreed and signed by the Chair as a true record.
- II. Matters arising: No matters

The Board agreed: -

- To approve the confidential minutes

Signed as a true record of proceedings

Chair: **Date:**