



DIRECTORS' MEETING Minutes of the meeting on 31 January 2019

Present: Mr Adrian Allan, Ms Michelle Balcombe, Mr Peter Cooper (Principal), Dr Marion Hawkins, Dr Ken Hopkins, Mr James Miller (Chair), Mr Andrew Parsons, Mrs Shirley Tully, Mrs Emma Telford, Mrs Andrea Marshall, Mrs Danielle Thompson, Mrs Catriona Ward (12)

In attendance: Mr Robert Gorman (Clerk), Jacquie Lake (Deputy Principal), Mr Callum Berry (Student Governor), Dr Jonathan Godfrey

Chairman's Remarks

The Chair informed the meeting that Vernon Amor had resigned from the Board with effect from 23 January. Directors were sorry to hear of this, and wished their thanks be passed on to Vernon for his contribution to the Board over the last 2 years. The Chair indicated that item 7, MAT Update, would be taken early in the agenda.

1. APOLOGIES FOR ABSENCE

Mr Phil Tranter, Rose Ruggiero (Student Governor)

2. DECLARATIONS OF INTERESTS AND GIFTS

None.

3. MINUTES OF THE MEETING HELD ON 13 DECEMBER 2018

The minutes were approved as an accurate record, and signed.

4. MATTERS ARISING FROM MINUTES

The Principal confirmed that the College would hear about the capital bid sometime in March. Train service problems had affected attendance of students travelling from South Wales before Christmas. A letter of apology had been received from the service provider. There were no other matters arising from the Minutes.

7. MAT UPDATE

Jonathan Godfrey, Clerk to the shadow Heart of Mercia MAT Board, explained the current status in the MAT process, confirming that necessary approvals required so far had been given by the Regional Schools Commissioner, the Head Teachers Board and the DfE. Those Directors who will be on the full MAT Trust Board will no longer be on the Local Governing Body (LGB), and will need to formally resign as Directors of HSFC. The relevant resignation letters effective 31 March 2019 were signed.

Jonathan Godfrey went on to present the Legal Due Diligence Report of 18 January, from HSFC's legal advisors (on joining a MAT with Worcester SFC), explaining that recommendations in the report had been annotated with College responses. Two issues in relation to WSFC's estate had arisen relating to restrictive covenants of utility providers and a 'gap' between the registered title and the adopted highway. The lawyers are pursuing the latter, and Indemnity insurance can be obtained to cover both issues.

In response to a Director's question, it was confirmed that the funding agreement will be

issued by the DfE to the new MAT, to be allocated to the LGBs. In response to a further question in relation to staffing ratios of the two Colleges, the Principal stated that WSFC employed more support staff as tutors, and numbers indicated in the report were 'employees' not 'FTEs'.

The Board **NOTED** the Legal Due Diligence Report, and could see no reason not to **PROCEED** with the process to create the MAT.

The Principal, commenting on HSFC's LGB relationship with the MAT, said that both Colleges have mature Governing Bodies, and the responsibilities of the LGBs will remain much as they are, with power and duty to carry out matters, but with legal responsibility resting with the MAT. Sessions at the Governors' Conference in early March will explore this in more detail, including the detailed Scheme of Delegation.

Jonathan Godfrey left the meeting at this point.

5. CLERK'S REPORT

Board membership now stood at 13. The Clerk reported that attendance at the SFCA Clerks' conference on 30 January had again proved most worthwhile. Of particular interest had been presentations from Eversheds on *The Charity Governance Code* and 'Latest developments of the Academy Legal Framework', and from Ofsted's Director for FE and Skills on 'Preparing for the New CIF Framework'. In relation to the new CIF, 'Outcomes for Learners' will be replaced by a holistic judgement, the 'Quality of Education Students Receive'. The Ofsted Director stressed that the judgement will complement and include data and outcomes, and look beyond the value added scores. It also emerged that, to date, 27 SFCs have now become academies.

6. PRINCIPAL'S REPORT

The Principal presented a comprehensive report, but some matters also covered by Committees would be considered later in the meeting, during the Committee reports. The Principal confirmed that the College's redundancy procedures are being implemented in relation to 4 areas of the College, and Unions have been consulted. Directors may be called upon to be on a panel.

The Principal outlined the data for leavers' destinations 2018, covering 947 leavers, with 473 (49.9%) going on to H.E., rising to around 70% after gap years, with a higher than national average proportion going to Russell Group universities.

It had been another good year for Oxbridge applicants, achieving 17 offers of places from 52 applications, with a good spread of disciplines, and from a variety of schools. Over the 17 period since 2013, HSFC averaged 36% offers from applications, against the national average of around 20%.

The Principal went on to outline attendance and retention measures, where attendance over the first half of 2017/18 at 94.3% was slightly lower than last year (94.6%).

Retention for 2017/18 so far was 98.6% (98.7%). The Principal indicated that a new pattern seemed to be emerging, corresponding to linear courses.

The Principal indicated that it as prosed to spend the 'Little Extras' funding on updating rooms, including IT room, roof and kit, and the performing arts centre.

Local issues included possible collaboration projects with schools, and the Principal also

outlined ideas for the possible future shape of the new MAT. Nationally, the national pay award negotiations are still continuing. At the SFCA AGM, the Minister for 16-19 and the Head of Ofsted had each recognised the need to address the funding problems. In response to a question from the Principal at the AGM, the Minister had agreed that the sector was worse off now than in 2010.

8. DIRECTORS' CONFERENCE

The Principal presented the outline programme for the Governors' conference on 8 and 9 March, confirming that on the Friday evening, Dinner with an invited guest speaker, would be at Castle House Hotel. The next day would start with the Board meeting, and then focus on MAT issues, and what it means to be part of A MAT. There would also be a presentation from HSFC's Deputy Principal on the new CIF.

9. COMMITTEE REPORTS

i. Curriculum Committee on 17 January

The Committee Chair confirmed that the Committee had considered student retention, student destinations on leaving College and Departmental targets for 2019/20. Attendance and Retention statistics remain relatively high, with retention Nov to Dec 2018/19 at 96.3% (2017/18 96.8%). Average overall attendance for Autumn term first half of 2018/19 was 94.1%, and second half 91.6% impacted by transport issues.

Destination data for all 1124 leavers indicated that 478 (42.5%) went on to HE, 218 to FE, 104 to employment and 155 to a gap year. In relation to UCAS offers the Committee Chair indicated that the overall success rate was very high, with 560 (63% of current students) gaining places, including 182 at Russell Group universities. Success rates for Medicine, Dentistry and Veterinary Medicine with 19 offers were 63%, although numbers remained small. Cardiff and Worcester and Oxford were among the 10 most popular. Most popular courses applied for were Law, Psychology and Business Management, a very similar picture to previous years. Directors asked several questions including:

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| What is the Six Dimensions of Performance Report | - | a series of value added measures for SFCs to sit alongside the traditional models of value added, comparing like with like |
| Of students going into employment, are there any trends | - | Local businesses, health and childcare |

The Committee Chair went to say that the Committee had discussed possible new curriculum areas, including BTEC Applied Psychology, and their justification, other proposed changes and recruitment. The Board **NOTED** subjects removed from the curriculum included General Studies, Russian GCSE and Film Studies. The Deputy Principal confirmed that currently recruitment stood at 880, 176 up on the same point last year.

The Committee had also discussed in some detail the College's Teaching, Learning and Assessment (TLA) programme based on Ofsted's CIF, including a Lesson Observation programme, which had commenced in January. The College has adopted the holistic approach supported by Ofsted.

The Committee had also reviewed departmental targets for Attendance, Retention

and Achievement, with no changes from the previous year. All courses were targeting 95% attendance, and targeting to exceed the SFC benchmark figure, for the subject, for retention. The overall target for Achievement is to improve or maintain value added performance at A Level and BTEC National. One new target is to improve high grade achievement at A Level. After a brief discussion, the Board **AGREED TO APPROVE** the Departmental Targets for 2019/20.

The Committee's Minutes were considered and **APPROVED AS A CORRECT RECORD**.

ii. Staff & Students Committee on 15 January

The Committee Chair reported that the Committee had reviewed its Terms of Reference, which had been updated to emphasise Directors' review and challenge of safeguarding procedures. After a brief discussion, the Board then **AGREED TO APPROVE** the Terms of Reference with changes.

The Committee Chair, as Designated Director for Safeguarding, had met with the College's Designated Safeguarding Lead, Helen Osborne, and reviewed a recently completed safeguarding audit. In moving through the College, the Committee Chair had noted the abundance of leaflets, notices and other information readily available to students and giving easy access to support. Other Directors had noted the diversity illustrations displayed through the College. It was noted that a Green Paper last year on the impact of mental health on colleges may inform Ofsted inspections.

The Committee had also considered:

- staffing projections – for September 2019, shortages in Physics, Maths and Engineering. A national problem
- pay negotiations – national agreement had not yet been reached
- redundancy – avoided so far by effective workforce planning
- Directors' skills audit and training needs - still a good balance of skills and experience on the Board.

It was felt that much of the training needs could continue to be met by in-house briefing/training sessions at Board meetings.

The Committee's Minutes were considered and **APPROVED AS A CORRECT RECORD**.

iii. Finance & Premises Committee on 10 January

The Committee Chair reported that the Committee had discussed the Monthly Management Accounts for November, received Premises and IT updates.

The Committee had received Premises update, and had noted that the outcome of the bid to the Condition Improvement Fund, involving the replacement of temporary buildings, should be known in March. The IT, Hardware and Network update had confirmed that a full network audit had taken place and that the College's self-service laptop scheme was now fully operational with 99 users currently.

Management accounts for November indicated that College finances remained in a good financial position with Net Current Assets of £3.5m. Surplus period to

date was £357k against a budgeted deficit of £116k, mainly due to phasing of transactions. The projected outcome for year at this stage is a deficit of £506k, against a budgeted deficit of £454k. The biggest uncertainty is the ongoing pay negotiations. There will be additional pay costs over the 1% built into the budget. Pay cost % of turnover, 64% at November, is projected to be 77% for the year to 31 August.

The EFSA uses 3 factors combined to assess financial health: Adjusted Current ratio; EBITDA as % Income; Borrowings as % Income. Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) £452k to November, is forecast to be a deficit £26k at the year end. Consequently, the Financial Health grade, currently Outstanding, is forecast as Good at the year end.

In response to a Director's question, the Principal confirmed that the forecast, based on the College's SAT status, would be reviewed with MAT status, including interest income and repayments in relation to the loan arrangement.

After a brief discussion, the Board then **AGREED TO APPROVE** the Monthly Management Accounts for November 2018.

The Committee's Minutes were considered and **APPROVED AS A CORRECT RECORD.**

11. ANY OTHER BUSINESS

The Chair reminded the Board that on becoming part of a MAT, Directors would become Governors, and some would be 'lost' to the MAT Board. The HSFC LGB should seek to add new Governors, ideally with finance or broad business experience. The Chair went on to recommend the SFCA's Governance webinars programme for 2018/19. The Clerk would arrange for a copy of the timetable to be circulated.

12. DATE OF NEXT MEETING

9.30am on Saturday 9 March, Directors' Conference