

Date	Thursday 17 October 2019
Time	4.30pm
Location	Board Room, Peterborough Regional College
Present	Ian Jackson (Chair), Brian Redshaw, Dr Mary Kiernan, Mark Haydon, Professor Sir Les Ebdon CBE DL, Rachel Nicholls (Acting Principal), Roy Bird (Staff), Tony Warner (Staff) From agenda item 2: Dean Duffield, Kelly Swingler, Angie Morris, Lionel Muskwe, Artur Vysocij
In attendance	Peter Walker (Vice Principal, Corporate Services) Angela O'Reilly (Acting Vice Principal Curriculum & Quality) Liz Nixon (minutes)
Apologies	Nicola Shawe, Rod Allerton, Marco Cereste, Greg Hanrahan, Joanne Ulyatt, Julian Kirkpatrick From agenda item 2: Simon Smith

Decisions taken at the Corporation Board meeting held on 17 October 2019

Ref	Actions
B2/19 Para 2	The Board approved the new members and student governors.
B2/19 Para 2	The Board approved the new Committee Membership.
B4/19 Para 4	Minutes from 11 July 2019 were approved and signed.
B11/19 Para 24	The Board approved the indicative subcontract funding. £207,606 to support apprenticeships in learning and £254,000 AEB delivery.
B12/19 Para 27	The Board approved the UCP Self-Evaluation of Governance.
B13/19 Para 34	The Board approved the Corporation Board's Standing Orders.
B13/19 Para 36	The Board approved the Governor Link Scheme.
B13/19 Para 37	The Board approved the adoption of the Corporation Board's Code of Conduct.

Actions arising from the Corporation Board meeting held on 17 October 2019

Ref	Actions
B2/19 Para 2	Chairs of the committees for F&GP and C&Q to appoint Vice Chairs and Audit appoint a Chair and Vice Chair at their first committee meetings.
B6/19 Para 9	PW to confirm the number of cash days.

B6/19 Para 9	RN to follow up with Catherine Hall regarding the detail around the number of mental health absences against physical health absences. Also the details around disciplinary actions.
B9/19 Para 17	RN and the senior team will review and provide a proposal to celebrate/award staff for the improvements made in 2018/19.
B12/19 Para 28	Amend UCP Shadow Council Terms of Reference as discussed in paragraph 28, RN/LE/JU/LK and email to the Board for approval and include the amended version in the UCP Shadow Council papers.
B12/19 Para 29	RN/LE to agree reporting lines for the Accountable Officer and produce Terms of Reference and email to the Board for approval.
B13/19 Para 35	JU to organise Link Governor meetings between governors and Heads of Faculty.

B1/19 Welcome and Apologies

1. Apologies were as noted above.

IJ noted that Alan Crawford has resigned from the Board and gave his thanks for all his work for the college.

B2/19 Board and Committee Appointments

2. Independent Members - **Approved**

Dean Duffield – Corporation Board and Audit Committee
 Angie Morris – Corporation Board, C&Q Committee and Remuneration Committee
 Kelly Swinger – Corporation Board and F&GP Committee
 Simon Smith – Corporation Board and F&GP Committee
 Student Governors
 Lionel Muskwe – President Student Union
 Artur Vysocij – Student Rep

Committee Memberships

The Board **approved** the Committee Membership. Vice Chairs will be appointed at the first meetings for F&GP, C&Q and Chair and Vice Chair for Audit.

B3/19 Declarations of Interest

3. Declarations of Interest were as noted on the agenda.

B4/19 Minutes of the previous Board meeting (11 July 2019) & actions arising

4. Minutes were **agreed** as accurate. There were no outstanding actions.

B5/19 Principal's Report

5. RN welcomed everyone to the meeting.
6. RN explained that her report is a general update and covers items that are not in other items on the agenda. RN referred to Lord Agnew's appointment and letter noting his focus on how colleges use funds ensuring they are being prudent and investment is not wasted. RN noted the recent changes to the funding of the Adult Education Budget (AEB) by the Combined Authority which is in its first year of devolution. This does pose some challenges but RN stated she is working through these. We have successfully re registered on the Register of Apprenticeship Training Providers to enable the college to deliver apprenticeships. The college saw some

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welcome media coverage from ITV for a campaign around Every Mind Matters and Get Britain Talking.

- RN confirmed the college links with the Combined Authority as she attends the AEB meetings. Both Greg Hanrahan and Marie Peene have links as well.

B6/19 Governor KPI Dashboard

7. The 2018/19 KPI Dashboard was explained and PW outlined pertinent items. The college exceeded its AEB allocation by £35k and is currently awaiting a decision from the ESFA to see if they will support this additional funding. If they do the college will make a surplus of £91k for the college alone, this does not include subsidiaries. If we do not receive this funding our surplus will be £56k.

8. Following the FE Commissioner's recommendations to reduce staff costs to 65%, the college has achieved this. PRC figures alone distort the costs therefore UCP staff costs and income are included and shows we have achieved a 64.3% staff cost income to ratio.

- It was asked if the FEC will see 64.3% or 68.1% and would this trigger a return visit. RN stated that it is unknown if we will get a return visit but did reiterate that the ESFA understand the staff cost figure.

9. Very ambitious targets for learner progress were set. Although we missed the targets all results are an improvement on last year. Overall achievement rate is 81.1% compared to last year of 75.7%.

- KS noted from the HR Report the number of mental health absences against physical health absences. RN stated that she is confident we have the fine detail for these absences, and the college is in line with the benchmark of other colleges in the east region. RN to follow up with Catherine Hall.
- KS noted from the HR Report that disciplinary actions seem quite high for FTEs. RN stated that this isn't the full staff head count and that this is not too out of kilter with a head count of between 800-900 staff. RN to follow up with Catherine Hall.
- LE noted that staff absences are significantly up on last year, and it was suggested that this could be due to staff morale and is well worth monitoring as staff are the colleges most important asset. RN noted that a number of the absences are long term.
- IJ provided clarification that the number of cash days in hand is 72 days, and the college should hold at least 30 as an expectation from both the FEC and ESFA. BR noted that 89 cash days were reported in the Management Accounts on the 31st August; PW was asked to confirm the number of cash days.

B7/19 FEC Action Plan Update

10. RN explained the reasons for the visit from the Further Education Commissioner (FEC) in January 2019. The FEC is independent from Ofsted and can carry out diagnostic assessments where college performance prompts concerns. The FEC report lists five recommendations relating to staff costs, a review of the under-performance of our subsidiaries, improving achievement rates, quality improvement strategies and considering structural change such as merger. RN reported that we have made good progress in reducing staff costs, CTS has ceased trading, and we have seen a significant improvement in our achievement rates. The FEC have not asked for a progress update.

- MK noted that this action plan gives governors a clear focus of what is being done to meet the recommendations.

B8/19 16-19 Student Recruitment Update

11. In early October we had 2806 funded learners against an internal target of 2864 by the end of the sixth week of term. This is an aspirational target and is greater than our allocation for the current year. ESFA funding is based on the number of learners recruited in the previous financial year. Within the college's 3 year financial plan for 2020/21 we have budgeted for an allocation of 2670 learners which is a reduction of 4% on this year's allocation. This is based on lower application numbers when the budget was set. Students have to stay with us for 6 weeks (42 days from their start date) for each individual to qualify for funding. Inevitably a number of students do withdraw for a variety of reasons within the first 6 weeks. The college realises its numbers are declining but believes it can reverse this trend. Any increase in student numbers in year is recognised the following year. RN highlighted that work is ongoing to ensure we track students in a number of ways including using the Getting to Good Strategy, Steps to Success for the first 6 weeks ensuring students are on the right course, we then track the number of learners that have transferred or withdrawn.

- MK stated that Heads of Faculty during the SAR review were able to give examples where students have been guided onto other programmes.

12. RN noted that achievement rates are only counted after the first 6 weeks.

- It was asked how students are supported and are the processes effective. RN said that students are supported from induction, and we are working to adapt ways of working to ensure consistency. RN stated that there has been a cultural change over the last 9 months, things are changing and staff are buying into the different processes and are working hard to improve.

13. AOR noted that a project group is being formed to review enrolment and iron out the issues and improve for next year.

- LE noted the performance for English and maths. RN highlighted that it is for discrete part time English and maths and it is full time courses that have to study English and maths. The Faculty Performance Review meetings will review each faculty financially, their enrolment, retention and achievement rates amongst other things and will get into the detail of their performance and analyse trends.

14. PW noted that the ESFA standard rate is currently £4000 and there has been an announcement by the government of a 4.7% increase in 2020/21 to £4188. FE hasn't seen any funding increases for the last 10 years.

B9/19 Achievement Predictions 2018/19

Education and Training

15. Today MIS reported all ages overall achievement is 81.1% which is an increase of 5.4%. There is still much work to do to meet the national average. Staff have taken on board what they have been asked to do, and this result is a credit to curriculum staff as from January to the summer a significant amount of work has been carried out to achieve this. However, there are some learners still not getting a good enough experience. This will be picked up and key areas to improve outcomes for students will be reviewed and agreed.

- IJ said this is exceptional and staff should be really proud of themselves. Ofsted trusted that we would achieve this.

16. AOR said that the predictions were reported by Heads of Faculty every 2 weeks and these have been very accurate. RN noted that the KPIs for 2019/20 have been set this week and noted a possible slight risk around merger. Staff are feeling slightly different and nervous about the future due to the merger.

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Apprenticeships

17. RN explained that apprenticeship frameworks have start and end dates and if an apprenticeship is completed within this time frame it is recorded positively as a timely result. However, this measure is being removed. AOR reported that overall achievement is timely £52.9% which is a 0.6% improvement and overall is 69.5% which is a 6% improvement.

- LE asked if it would be appropriate to hold a celebration event to help raise staff morale. Options were discussed. RN said that the senior team will review over the next month and will come back to governors with a proposal. RN also noted that we have staff Star Awards, Length of Service Awards and other strategies to reward staff. Teachers pay in FE is less than in schools so a financial reward is more acute within the FE sector.
- It was stated that a 22% staff turnover is not too out of kilter with AOC benchmarks.

B10/19 Finance Outturn 2018/19

18. PW reported that this year a small surplus of £91k has been made with a turnover of £28m. As the AEB income was £35k higher than allocation and £75k above forecast we may receive additional funding from the ESFA subject to affordability but if this is not received then the surplus will be £35k lower at £56k. At the end of quarter three savings in non-pay of £215k were made which didn't damage any provision. Pay costs were £18k under budget. Additional restructuring costs of £162k were offset by the agreement of the CPCA to make an additional grant of £148k in respect of the former UoP project staff. This is yet to be received. PW confirmed that a contract has been signed to say that the CPCA will pay. A Provision of £50k with regard to an indemnity claim from the previous owners of CTS has been included in the budget. The number of cash days in hand in the July accounts is 72 days. The August accounts reported 89 days.

19. PW outlined the group position: PRC surplus £91k, APT surplus £129k, PRCV deficit £142k, giving a total net result of £78k. PW noted that PRCV took on some external contracts that didn't work and so have discontinued and that student numbers falling has impacted on income, however this is the first significant loss made. The aim is to maximise the surplus and work towards a break even position.

20. iMET is a 50/50 Joint Venture with Cambridge Regional College. The accounts do not make provision of our loans for £180k.

- LE asked if there is a recovery plan for PRCV. RN stated that we have increased some prices, a contract has been agreed with the UTC, and a new Deli Bar was launched at the beginning of the year. The finances have been thoroughly reviewed and we are working with the Board of Directors to make improvements. In the longer term it will be reviewed to see if this should be a separate company.

21. PRCV has been a supplier of agency staff to iMET. This has seen a funding issue, which has now been resolved. PRCV wasn't set up to manage this type of work.

22. PW explained that UCP was bidding to be the academic partner for the University of Peterborough project and funding for this ended at the end of March. The plan was to set up standalone services for example IT services that were previously part of the Joint Venture with ARU. Work continues to end the JV with ARU.

B11/19 Subcontractor Update

Letter from the ESFA 03/10/19

23. The ESFA has written to all providers to reiterate its requirements for prime providers when subcontracting funds to comply with all guidelines. This follows a number of high profile cases where subcontracted provision was not appropriately controlled.

Approval of Subcontracting Provision 2019/20

24. Governors were asked to approve subcontracting provision for apprenticeship delivery and adult education budget (AEB) delivery in 2019/20. The college uses subcontracted provision to complement direct delivery and to offer additional specialist and niche provision to meet local and regional needs. The proposal is to continue to subcontract for those 'in learning' that have started apprenticeships in an academic year prior to 2019/20, with APT and PSA for £207,606. Governors were also asked to approve the subcontracting of AEB funds to further supplement college provision in the Combined Authority area. If this is approved then a tender request would be published to identify suitable delivery partners. If approved is £254,000 of AEB would be subcontracted to successful providers. A robust tender process is followed with a management fee of 15% and providers are very clear about what they receive from the college. The management fee for Aspire is 20% as they are a new provider the college has had to provide some additional support.

- It was asked how APT is achieving and excelling and what can be shared with others. This particular type of provision helps and attracts committed and motivated students. Governors will be updated as progress is made through the year.

The Board **approved** the two indicative subcontract funding requests. To support apprentices in learning £207,606 and £254,000 for AEB.

B12/19 UCP & UoP Update

25. RN explained the position of UCP. It is operated as a Joint Venture with ARU. The Heads of Terms were drawn up to end the JV at the end of July 2019 with the intention for UCP to transition from UCP into the University of Peterborough.

26. UCP will have its own registration with Office for Students (OFS).

UCP Self-Evaluation of Governance

27. Attachment of the proposal will be uploaded to the OFS portal, the UCP Shadow Council has recommended the proposal. The Board **approved** the Self-Evaluation.

UCP Shadow Council Terms of Reference

28. The JV was due to dissolve on the 31 July 2019 but this has not yet been completed due to the ongoing discussions regarding the lease of the UCP building. As the governance arrangements planned for the UCP Shadow Council to become the UCP Council on 01 August 2019 did not happen it was proposed that the attached Terms of Reference are adapted.

- LE outlined the TORs and highlighted responsibilities noting his concerns of the role of the Shadow Council and that of the Accountable Officer has to be overseen by the

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Board of the university and a Terms of Reference is needed for this oversight. RN expressed her reservations about LK role and agreed to work with LE to produce Terms of Reference and email to the Board for approval.

- 4.9 (should be 6.9) specifies HESA returns, the OIA and QAA subscriptions, these need to be included; include those under-represented groups in HE (8); suggested conforming to the CUC guidance, a stop gap until the JV is resolved; include a statement around audit requirements; include reference to remuneration and whistle blowing procedures and nominations.

29. Due to the concerns noted by LE the Terms of Reference were not approved. They require development. Reporting lines need to be agreed for the Accountable Officer. RN/LE/JU/LK will work on this over the next few weeks with substantive changes. This will then be emailed to the Board for approval.

- RN noted our application for Degree Awarding Powers (DAP). Discussions are required as to whether UCP should stay as a standalone subsidiary or be an in house faculty of PRC.
- We have a validation agreement signed for the next 6 years with ARU and ARU are required to give us notice by summer 2021 if they wish to terminate / surrender their shares.

ARU Update

30. ARU are wanting to re-negotiate the lease on the UCP building, it is an asset listed on the ARU balance sheet. This is an issue as ARU have suggested that whoever is appointed as the academic partner to the University of Peterborough should be granted the use of the building, however this is not in accordance with the JV agreement. We are awaiting a valuation of the building and Eversheds have drafted a response in the last seven days, and we are yet to receive a response from ARU. The current JV is still in operation, but solicitors continue to work to resolve the lease issue.

- LE stated his view that PRC cannot agree to the lease variations.

UoP Update

31. Fundamental changes have occurred to the tender process set out by the CPCA. The CPCA has said that they are unable to accept PRC's submission (stage 2). PRC was notified via the portal on 14 October 2019 that they wouldn't accept our submission. It is clear those scoring the submission do not understand UCP and how it operates, and there are fundamental flaws around the rationale of DAP. RN has responded formally to John T Hill (Director of Business & Skills) asking him to change the content on the portal as it is factually incorrect and highlight that part of the tender specification is vague around Degree Awarding Powers (DAP). PRC is not taking the submission any further and will not become University of Peterborough. RN noted that we don't know for sure who is still in the running.

32. What does our HE look like, the implications of HE delivery financially and our competition, along with the opportunities and financial risks with gaining DAP were discussed. The way is clear to build an independent UCP. We need to take responsibility for its future. There will be a new player in higher education in Peterborough and we need to build and ensure the best possible student experience at UCP. RN met with UCP staff earlier this week informing them of

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the change in direction and a number of staff are very disappointed. There is an all staff meeting on Friday 18 October where she will inform staff of the changes.

B13/19 Director of Governance

Review of Standing Orders

33. It was noted that the tracked changes show minor amendments made to the Standing Orders.

34. The Board **approved** the Standing Orders.

Governor Link Scheme and Proposed Governor Links

35. The scheme has been updated to align with the new Ofsted EIF framework. The purpose of the Link Governor visits is to triangulate the student experience and for governor to get to know the college better and give Heads of Faculty (HOFs) invaluable support. The Link areas were presented. JU will liaise with governors to arrange meetings with the HOFs. MK offered to visit with Dean Duffield for the first link visit meeting.

Code of Conduct Sixteenth Edition

36. The adoption of the Code of Conduct was **approved** by the Board.

B14/19 Date of Next Meeting: Extraordinary meeting Thursday 21 November 2019 at 4.30pm.

Consents Agenda

Minutes of the UCP Shadow Council held on 18 September 2019 – Noted.

Minutes of the Audit Committee held on 26 September 2019 – Noted.

Minutes of the Finance & General Purposes Committee held on 03 October 2019 – Noted.

F&GP Terms of Reference – **Approved**.

G&S Terms of Reference – **Approved**.

Confidential item

B15/19 iMET Update

Para 38 - 46

Part Two: Confidential Items numbered from B16/19 – B19/19 para 47 - 60

Signed

Date