

KING GEORGE V FURTHER EDUCATION CORPORATION
MINUTES OF THE MEETING OF THE FULL BOARD OF GOVERNORS

6.00pm Monday 8 December 2014

PRESENT

Arlene Allan (Governor)
Chris Baker (Governor)
Elinor Dodd (Governor)
Rob Fletcher (Governor)
Duncan Hall (Parent Governor)
Paul Lacey (Governor)
Bill Johnson (Governor)
Morag Matthews (Staff Governor)
Julian McInerney (Governor) until 6.55pm
Hannah Ritchie (Student Governor)
John Rostron (Governor)
Vipin Trivedi (Governor)
Sandra Unsworth (Governor)
Adele Wills (Principal/Governor)
In attendance
Ian Swift (Vice Principal)
Michael Barker (Assistant Principal)
Janet Regan (Assistant Principal)
Wendy Moorcroft (Clerk)

A Quorum being present, John Rostron (in the Chair) opened the meeting at 6.00pm.

14/82 Apologies

Ronnie Fearn (Governor)
Nick King (Staff Governor)
Eve Kelly (Student Governor)

14/83 Minutes of the Meeting of 29 September 2014

The minutes were accepted as a true and accurate record and signed by the Chairman.

14/84 Matters Arising

There were no matters arising.

With the approval of the Board, the Chairman then took Agenda item 14/86 next.

14/86 Results and Value Added

Michael Barker (Assistant Principal) presented the Results report which had been discussed in detail at the last Curriculum Committee meeting. Whilst results had improved, these improvements had been judged by Ofsted to be too modest, too variable and too slow. Much of the discussion at the Curriculum meeting had therefore been about addressing the issues within the Ofsted report. Mr Barker circulated a further analysis for Governors' information showing student performance by individual course, the ALPS score for that course and teaching identified as either red for good, blue for poor and average in grey. A further analysis of each individual teacher performance ranked by ALPS score was also circulated. Governors

were able to identify clearly those staff performing well and those where action had been taken and where capability procedures were to be commenced. There were some instances where individual factors meant capability was not an issue. PE in its current format would change and a better alternative offered to maximise the College's strengths. Governors asked why there were some 'blue' teaching identified higher up the table. The Principal advised that this was because some staff had a mixed picture but the areas of concern and overall lack of value added were identified at the bottom of the table.

Governors noted the Report.

14/85 Principal's Report incl Post Inspection Update

The Principal presented the Report to the Board. The main focus inevitably was the recent Ofsted inspection and an update on actions taken to date. Ofsted had asked that the Post Inspection Action Plan be redrafted and made more concise and focused. This had been done and this was circulated to Governors. The report also set out the changes to the performance management schemes and the processes already implemented and underway to address under performance in certain areas following the Ofsted Monitoring visit in November. Most Governors had attended the PIAP monitoring group meeting and were aware of this. A number of the staff affected were popular and well liked by both staff and students and the effect was being felt throughout the College. Ofsted had made clear however that effectiveness rather than popularity was the issue and it expected immediate action where areas were underperforming. The challenge however was how this was managed as recruitment of new staff took time and temporary appointments would be required in the meantime and it was important to ensure this did not impact adversely on the quality of learning and teaching. Governors asked what the union views were on the changes. The Principal advised that there seemed to be an acceptance that this was being driven by Ofsted. Governors asked whether the College was seeking student views on the effectiveness of the changes. The Principal advised that Ofsted had indicated during the visit that the student views were not a helpful measure as KGV students were generally 'positive'. The senior team had however visited those areas where staff had been affected to talk to students and explain the decisions taken. There was no doubt that there was a degree of emotion and anger and that students did not necessarily accept that the affected staff were underperforming. Students had met with the Commissioner during his visit to express concerns. Governors commented that this was understandably the case until such time as they were able to compare what they had now with the future alternative and appreciate the difference. It was an important part of the process to raise student expectation too. Governors noted however the time scale required to recruit new staff and the dangers this posed and asked where the temporary staff had been recruited from. The Principal advised that these were generally people known to the College but notice periods meant that permanent appointments would not be until Easter. Governors were concerned that this could leave a cohort of students exposed from an exam point of view and asked what measures were being put in place to monitor the changes. The Principal advised that observations and feedback on the new member of staff in Biology were positive. The staff in MFL and Psychology were known to the College and again observations and 'walk throughs' would provide feedback. The temporary appointments would work alongside the new appointments initially to maintain continuity. Governors asked what measures were being taken to retain staff that were performing well. The Assistant Principal advised that again positive feedback and reassurances from the 'walk throughs' was fed back very quickly with help and suggestions for improvement given if required. Governors asked if there were sufficient resources within SLT to deal with the demands of implementing the changes. The Principal advised that a review would be required at some point. Governors commented that the required speed of reaction was immense. It was important therefore that Governors received regular

information in the coming months to enable them to challenge robustly the progress and effectiveness of the changes being made.

The Principal advised that the senior team were monitoring information on a twice weekly basis. The more concise PIAP set out clearly the five key risks facing the College along with clear objectives with actions and milestones for each objective. The next PIAP Monitoring Group meeting was scheduled for 12 January.

Governors noted the Report and also the many student activities that had taken place along with the wide ranging sporting events and successes.

14/87 Financial Statements Auditors Management Letter/Final Accounts 2013/14

Ian Swift (Vice Principal) presented the Financial Statements and Audit Findings Report from Baker Tilly to the Board which had been discussed in detail by both Audit and F&GP Committee. A summary of key issues had also accompanied the report for Governors' information. The Board was pleased to note that there were no unresolved disagreements with Management regarding items that could be material to the accounts and subject to carrying out a post balance sheet events review, Baker Tilly would be issuing an unqualified audit report for the year ended 31 July 2014.

Moving on to the financial performance and position, the Committee noted from the summary report that the College had achieved an operating deficit of £97k compared to a deficit of £933k the previous year. This was due to the inclusion of exceptional restructuring costs, assets write offs and accelerated depreciation the previous year. It was noted that excluding restructuring costs in 2013/14, the College would have made a surplus of £783k. The Balance Sheet was strong with good cash levels. The assessment of the College's financial status based on these results was outstanding. Mr Swift advised that the audit process had gone very smoothly despite the changes in staffing at the College and the bringing forward of the audit visit. He expressed his thanks to all the Finance Team for their much appreciated assistance. The Board endorsed this thanks. Governors asked if the cash reserves were being used to support staff in the post-inspection process. Mr Swift advised that the College anticipated significant funding reductions in the region of £300k and it was important that the Bank covenants were not breached. It was also difficult to anticipate the effect of the recent Ofsted inspection. There was however a small amount of EFA support for consultancy costs. The Principal had advised earlier that there would be some 'double staffing' in some areas to ensure handover from the temporary to the new staff. It was therefore a fine balance between putting resources where required and maintaining financial viability. The Chairman of F&GP echoed the thanks of the Board to the Finance Team and drew Governors attention to the emerging issues in the Baker Tilly Report which indicated increasing demands of Governors in the future.

Looking at the Baker Tilly Audit findings report the Board noted that Baker Tilly had identified some deficiencies in internal control and the actions agreed to address these. The Chairman of F&GP Committee reported that the Committee had received a detailed report on the accounts. Audit Committee had received a detailed presentation from Baker Tilly on the Audit Report. Both Committees were recommending that the Accounts be approved for signature by the Chairman of Governors and the Principal.

The Board agreed that the accounts be approved for signature by the Chairman and Principal.

14/88 Financial Report – Period 12

The Vice Principal reported that the Period 12 Accounts reflected the information in the Financial Statements just approved excluding the FRS17 adjustment and had been presented in detail to F&GP Committee at the last meeting. The Board had received the period 11 accounts at the last meeting and there was very little change to report since then with most variances having been discussed at previous meetings. The cash flow forecast continued to be healthy for the year ahead. As referred to earlier however it was important they did not fall below a certain level for bank covenant purposes. The Chairman of F&G advised that the College had recently received benchmarking data for performance indicators and these would form the basis of a review of the College's own indicators at the next F&GP meeting. Governors commented that should the College wish to utilise more resources to support the post-inspection process, it may need to have discussions with the Bank about varying the covenants. Mr Swift advised that new accounting regulations due to be introduced would also impact on the covenant requirements and initial discussions with the Bank had already taken place. Whilst it was thought this would not be a problem it was obviously subject to legal advice and requirements.

The Board noted the Period 12 Accounts.

Julian McInerney left the meeting at this point (6.55pm)

14/89 Annual Risk Management Report

Ian Swift presented the Annual Risk Management Report to the Board. The Audit Committee had received update reports throughout the year and the annual report summarised any specific issues. The Report also summarised the work and findings of the Internal Audit Service and Financial Statements and Regularity Auditors. All internal audit work undertaken during the year had received a 'Green' rating. Future issues continued to centre on funding reductions, student numbers and reputational effect of the Ofsted inspection.

The Board approved the Annual Risk Management Report.

14/90 Internal Audit Performance Indicators 2013/14

Ian Swift presented the Internal Audit Performance Indicators for 2013/14 which had been discussed in detail by the Audit Committee on 24 November.

The Board noted that Baker Tilly had provided a reliable and efficient service meeting all the agreed performance indicators and that the Audit Committee and Management had been very satisfied with the work carried out and appreciative of the recommendations made. The performance criteria were still considered to be relevant and appropriate for 2014/15.

The Board approved the Internal Audit Performance Indicators for 2013/14 and agreed that the targets be retained for 2014/15 without change.

14/91 Terms of Reference – Remuneration Committee

The Clerk took Governors through the changes which had been identified in bold and approval for their adoption was sought from the Board.

The Board approved the revised Terms of Reference for the Remuneration Committee.

14/92 Audit Committee Annual Report 2013/14

The Clerk presented the Audit Committee Annual Report for 2013/14. The report had been expanded on previous years to incorporate the requirements of the new JACOP. The report summarised briefly information on attendance and the items that had been discussed during the year and included the Committee's Terms of Reference. The Board noted in particular the summaries relating to the work of the Internal Audit Service and Financial Statements Auditor and the Colleges arrangement for Risk Management and Governance processes. Governors asked whether the Internal Audit work on performance management should have picked up any of the issues raised by Ofsted. It was noted that the Auditors had checked the previous systems in place at the time and taken a view that the systems in place were procedurally followed. The Vice Principal agreed however to ask the auditors this question. **ACTION IS**
The Audit Committee conclusion was that the Committee was confident that the Board could rely on the service provided by both the Internal and External Auditors.

The Board approved the Audit Committee Annual Report for 2013/14.

14/93 Reports from Committees

Remuneration Committee 20/10/14

As a pay settlement of 1% for teaching and support staff for this year had now been agreed the Committee was recommending to the Board that this should also be paid to the Clerk and Senior Postholders with effect from 1 September 2014.

The Board approved the recommendation.

Curriculum Committee 20/10/14

The Clerk reported that the Committee had received a comprehensive report on Results and Value Added data which had also been discussed by the Board earlier. The Committee had also received a report on the A Level changes from 2015 and an initial draft of the Post Inspection Action Plan.

Audit Committee 24/11/14

The Clerk reported that nearly all items including the Final Accounts, the Annual Risk Management Report, Performance Indicators and Audit Committee Annual Report had already been discussed earlier by the Board as agenda items. The Committee had also received a progress report on the implementation of Audit recommendations.

F&GP Committee 1/12/14

The Committee Chairman reported that the Committee had discussed in detail the Final Accounts and Period 12 Accounts which had also been discussed earlier by the Board as agenda items. The Committee had also received an update on the financial position for the current year. Enrolments were around 945 compared to a budgeted figure of 900 which would have a positive impact on next year's funding. This had however resulted in the need for some additional staffing. It was anticipated that that the next few years would see a fall in the College budget of around £300k. SLT were currently discussing strategies to address this.

The increase in contingency to £50k for the capital project had required an additional £38k from College reserves. The Committee had also received the Health and Safety Minutes. The Governor Representative on the Health and Safety Committee reported that at the recent meeting of the Committee, the issue of the difficulty in getting staff to undertake first aid training had been raised. There had been a suggestion that staff be given a financial incentive to undertake training. The Principal advised that she would not want to support this as it would create difficulties in other areas. Governors asked if any other form of recognition was considered. The Principal advised that the new performance management system had gradings

for values and behaviour and contribution to the College community and additional such a first aid would result in a higher performance score.

Search Committee 8/12/14

The Committee Chairman reported that the Committee had interviewed an individual with the view to co-option onto the Audit Committee and would bring a formal recommendation to the next meeting.

14/94 Any Other Business

The Chairman asked for a preferred date for an initial training session with advisor to the Governing Body, Jim Horrocks. It was agreed that this would take place on Tuesday 6 January at 4.00pm.

There was one confidential item of any other Business

There was no other business.

14/95 Review of Meeting

The Chairman asked if Governors felt they had received enough information to enable them to reach a decision or been given enough time or opportunity to comment on proposals.

The arrangements for and the conduct of the meeting were considered to have been satisfactory.

14/96 Date of Next Meeting

9 February 2015.

There being no further business the meeting closed at 7.20pm.

The Chairman asked the Students, Staff Governors and Staff in attendance to leave for the confidential item. The Clerk remained and the minute was recorded as a confidential minute.

SIGNED BY THE CHAIR AS A TRUE AND ACCURATE RECORD

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