

**MOULTON COLLEGE**  
**CORPORATION BOARD**

**Minutes of the meeting held on Thursday, 13<sup>th</sup> July 2017**

**Present:** Mr R Thompson (in the Chair), Mr A Clarkson, Mr S Davies,  
Mrs K Delamain-Blunt, Mr L Howarth, Mrs L Knapp, Mr T Neville, Miss  
M Owen, Mr R Sadler and Mr M Thomson

**In attendance:** Mr G Davies, Mrs S Field, Mrs G M Hulley and Mr W Lumsden

**PART 1**

**SECTION A – ROUTINE AND STANDING ITEMS**

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- 16/488 Apologies for absence (Agenda item 1)**  
Apologies for absence were received from Mr R O'Driscoll and  
Mr A Thomson.
- 16/489 Declarations of interest (Agenda item 2)**  
Mr Howarth declared an interest in agenda items 6, 16, 17, 19, 22 and 27. Mr  
Neville declared an interest in agenda items 6, 7, 14, 16 and 17.
- 16/490 Minutes of the last meeting (Agenda item 3, Paper A)**  
The minutes of the previous meeting held on 25<sup>th</sup> May 2017 which had been  
circulated previously, were approved as a true and accurate record.
- Mr G Davies arrived
- 16/491 Actions outstanding from the meeting held on the 25<sup>th</sup> May 2017 (Agenda  
item 4, Paper B)**
- 16/233 c) H20ganics**  
Further meetings had taken place with the individual responsible for the  
project. Details of the proposal to construct a smaller starter unit were  
outlined and discussed. Alternative Heads of Terms had been developed.  
These now included an option to take a lease. The Chair requested that  
ongoing discussions about the project should be considered by a working  
group until there was something substantial to bring back to the Board.  
Following discussion, *the Board gave agreement to proceed with an option for  
a lease.*
- Mr L Howarth arrived
- 16/369, Governor Appointment**  
The Search and Governance Committee had recommended the appointment  
of Mr R Sadler as Vice Chair of the Corporation. Mr Sadler's appointment was  
proposed by Mr M Thomson and seconded by Mr T Neville. (Closed)
- 16/400, Governor Development Day**  
A meeting had been held with a national leader of governance in relation to  
the development of a 3-year governance plan. A draft plan had been  
formulated which would be brought to the Corporation meeting in September  
2016. This would be an opportunity to agree the supporting evidence and  
RAG (Red, Amber, Green) ratings. (Closed)

**16/419, Termly Safeguarding Report**

Refresher training in Safeguarding and Prevent had been factored into the Board cycle for the start of the academic year. (Open)

**16/453, Student Attendance**

Copies of GCSE English and Mathematics papers were distributed to Members at the meeting. (Closed)

**16/465, Anti-Fraud and Bribery Policy and 16/469, Public Interest and Disclosure (Whistleblowing) Policy**

The policies had been amended to address previous feedback and had been uploaded to the College staff noticeboard. (Closed)

All other actions were either on the agenda for discussion in the meeting or progressing as planned and not due for reporting until later in the year.

**SECTION B – GOVERNANCE (Appointment)**

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**16/492****Governor appointments (Agenda item 5)**

The Chair welcomed Mrs Delamain-Blunt to her first meeting of the Corporation. Mrs Delamain-Blunt had been elected to the Corporation at the last meeting on 25<sup>th</sup> May 2017. The appointment of Mrs Knapp as a governor was recommended by the Search and Governance Committee. Mrs Knapp had been interviewed by the Principal and Chair. A written resolution to appoint Mrs Knapp had been unanimously approved by the Search and Governance Committee. Her appointment was proposed by Mr Sadler and seconded by Mr Neville and *was approved unanimously*.

Mrs Knapp was invited to join the meeting and was welcomed to the Board.

**SECTION C – PRINCIPAL'S UPDATE**

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**16/493****a) Recruitment 2017-18 (Agenda item 6a)**

The recruitment figures for 2017-18 were outlined and discussed. For full-time, further education (FE), there had been a 2.2% increase in the number of applications compared to the previous year. The number of offers made and acceptances to date had also increased by 3.8% and 8.4% respectively. This improvement reflected the rigour that was being placed upon the recruitment process. There would be a continued focus on recruitment throughout the summer. This included additional careers' events.

In Higher Education (HE), there remained a reduced number of applications compared to the previous year. Acceptances were 5.7% less compared to the previous year. Members sought clarification of how this compared nationally. There had been various reports in the media which had confirmed a downturn in applications of 4%. Members were informed of actions that had been taken to respond to the downturn in numbers. A more proactive approach had been taken by the College which included restructuring the HE provision and strengthening the HE offer moving forward.

For Apprenticeships, there had been a 7.2% increase in the total number of apprentices on programme compared to last year. Numbers on Higher and Advanced Apprenticeships had increased. The number of Intermediate Apprentices was similar to the previous month. The total figure included infill numbers for Construction trades apprenticeships. The Board discussed the implications of the Apprenticeship levy in terms of what it means for the College and how employers would use it. Potential growth opportunities for

the College were highlighted by the Board for further exploration in due course. Following discussion, *the report was received*.

**b) Key Performance Indicators 2016-17 (Agenda item 6b, Paper C)**

The report was outlined and discussed. Of the 22 KPIs that could be measured, 73% were either Green or Amber. Overall, 14 KPIs had improved and 2 had stayed the same compared to the previous month. There were 6 KPIs which had not improved. Each of the 6 KPIs had been subject to a robust interrogation by the Board as part of the reporting process at Corporation or relevant Committee meetings. There were 16 KPIs that could not be measured at this stage due to a number of factors which were explained to the Board. The Chair welcomed the report and acknowledged its importance in order for the Board to monitor progress. Following discussion, *it was agreed that further work would be completed on Annex A of the document to provide better clarity of information for the Board; and, the report was noted*.

**SECTION D – TEACHING, LEARNING AND ASSESSMENT**

**16/494 Teaching, Learning and Assessment Committee Minutes (Agenda item 7, Paper D)**

The minutes of the meeting held on 8<sup>th</sup> June 2017 were presented. The Committee had received an in-depth report on the latest situation in relation to progress with 3 key quality improvement areas; in-year performance measures; and, next steps. A particular focus by the Committee had been around the observation of teaching, learning and assessment. The College had also received a visit from the Ofsted HMI (Her Majesty's Inspector) as part of a support and challenge visit. A robust review of the Link Governor Scheme had been completed. Further developments to the Scheme would be completed over the summer before it was implemented from September 2017. A review of the Committee's terms of reference was also undertaken. Following discussion, *the minutes of the meeting held on the 8<sup>th</sup> June 2017 were received*.

**16/495 Equality, Diversity and Inclusion Action Plan 2017-18 (Agenda item 8, Paper E)**

The report was outlined and discussed. Actions had been informed by the recommendations from the Investors in Diversity Report and identified actions linked to the achievement of the College's published equality objectives. The action plan had been structured around 6 areas of focus. The action plan would be monitored by an Equality, Diversity and Inclusion Steering Group. The Board would receive regular progress updates. Following discussion, *the action plan for the next academic year was received*.

**16/496 College Policy Review (Agenda item 9)**

**a) Paternity Leave (Paper F)**

An annual review of the Parental Leave policy had been completed. One change had been made to Paragraph 1.2 in relation to 'shared paternity leave'. Other changes related to internal approval dates. Following discussion, *the changes were approved*.

**b) Prevent Duty and Risk Assessment (Paper Gi and Gii)**

This policy had previously been approved by the Board. It had since been revised and updated to an agreed template. The policy confirmed what Members of the Corporation and the College were responsible for in relation to the Prevent Duty policy. The Board also received a report on

risk assessments that had been completed. This was also part of the responsibilities to the Prevent Duty. Members sought clarification on a number of points. This included the arrangements and responsibilities for those organisations using the College premises. It was confirmed that the induction for new governors included training on Prevent and there was also a requirement to complete an ETF (Education and Training Foundation) online training module. Following discussion, *the Prevent Duty policy and risk assessment were approved.*

**c) English and Mathematics (Paper H)**

The policy confirmed the College's intentions in relation to English and Mathematics. Following discussion, *the policy was approved.*

**16/497 Programme Area Report – High Needs Provision (Agenda item 10, Paper I)**

The report was outlined and discussed. The College had always offered general education provision for students with learning difficulties and/or disabilities. This was managed as a discrete provision. High Needs was much broader than general education and reflected a level of funding that was provided through the local authority. The report detailed the different High Needs provision which included discrete courses, internship programmes and courses within the mainstream curriculum. During an Ofsted inspection, the effectiveness of high needs provision would be reported on. The report included a number of priorities for 2017-18. Following discussion, *the report was received.*

Mrs S Field left the meeting.

**SECTION E – FINANCE**

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**16/498 Audit self-assessment questionnaire (Agenda item 11, Paper J)**

The College completed the questionnaire as part of the regulatory audits. Completion of the questionnaire confirmed compliance with the financial memorandum between the College and the ESFA (Education and Skills Funding Agency). The self-assessment questionnaire had also been considered by the Corporation at its meeting on the 27<sup>th</sup> April 2017. No areas of concern were identified. Following discussion, *it was agreed the questionnaire should indicate the year it related to and include the name of the College; and, the self-assessment questionnaire was approved for signature by the Accounting Officer and the Chair of Governors.*

**16/499 Audit Committee Annual Report (Agenda item 12, Paper K)**

The Chair of the Audit Committee introduced the report and reminded Members that this was for the year 2015-16. The report provided a summary of the audit work completed during the year. The report confirmed that 'the system can only provide reasonable and not absolute assurance'. The Chair confirmed that the Audit Committee strived very hard to make sure any problems were detected but it could not be an absolute guarantee that this was the case. Following discussion, *the report was approved.*

**16/500 Audit Highlights Memorandum and Management Letter (Agenda item 13, Paper Li)**

The report was outlined and discussed. The external Auditors had carried out a similar process to previous years. The executive summary confirmed the auditors' intention to issue a clean audit opinion in relation to the 2015-16 financial statements and regularity audits. Apart from three minor matters

which would remain outstanding until the time the accounts would be approved, everything else was where the College was expected to be at this time.

The report was an updated version to the document received by the Audit Committee in November 2016. This had been considered by the Audit Committee on 10<sup>th</sup> April 2017. There were no unadjusted audit differences to report on. There were also no specific issues to report on in the regulatory audit. This had a clean opinion. The audit of each of the College's subsidiary companies had been completed and were issued with an unqualified report on each subsidiary company in April 2017. In other significant matters, there were no issues to fraud risk. In relation to the College's historic position in respect of bank loan covenants and a reported deficit for two consecutive years, revised terms and conditions with its lenders had been completed in June 2017.

Recommendations arising from the audit included one 'medium' priority. This related to 'journal authorisation and system access'. In response to the recommendation, it was agreed that, *'Controls over journals approval and system access are reviewed and full segregation of duties established, where possible, in respect of journal posting to provide a measure of protection for the College and the personnel concerned'*. Following discussion, *it was agreed the external auditor should be invited to present this report in the future; and, the report was received.*

**b) Management Representation Letter (Paper L[ii])**

In common with other organisations, the Board was required to confirm its compliance with the various regulations and to declare that all information relevant to the financial statements had been disclosed. The requirements were outlined and discussed. *The Chairman signed the letter on behalf of the Board.*

**16/501 Members' Report and Finance Statements 31<sup>st</sup> July 2016 (Agenda item 14, Paper M)**

The report was outlined and discussed. It presented the accounts for Moulton College and its three subsidiaries for 2015-16. Where the latter was concerned, these had previously been approved by the Corporation in April 2017. The accounts had been through a second level of scrutiny by the external auditors. The external auditors had agreed a final version. The accounts would be presented to the Corporation Board meeting on the 13<sup>th</sup> July 2017 for approval. Once the accounts had been signed by the external auditors on the 18<sup>th</sup> July 2017, they would be submitted to the ESFA. Following discussion, *the accounts were approved and signed by the Chair and Principal.*

**16/502 Funding Report (Agenda item 15, Paper N)**

The Funding Report was based on R10 and was considered a fair reflection of the College's activity for 2016-17. The FE 16-18 funding at R10 had not moved from the previous month. R10 showed that the College had recruited 37 fewer learners than allocation. This was consistent with an earlier return submitted in January 2017. A red flag would have been issued if there had been any inconsistency. 16-18 Apprenticeships was £42k over the annual target and was still rated green as there were no concerns. 19+ Apprenticeships was now £102k above the annual budget and rated green. As reported in previous months, not all of this would be funded. The Adult

Education Budget (AEB) was still rated red. This had been reported on in previous months and Members were informed of the different actions that were being taken to resolve the situation. Following discussion, *the report was noted*.

**16/503**

**Management Accounts (Agenda item 16, Paper O)**

The Management Accounts for May 2017 were outlined and discussed. There was a favourable variance of £255k. This related to pay and non-pay which were all positive to budget. Income was slightly adverse due to lower than expected income in relation to commercial activities. There was also an assumed clawback of £150k but this would be offset by the positive variance on additional further education (FE) funding. Members received an assurance that the College would meet or exceed its original budget expectations. Staff costs remained below the target of 52% and were currently at 50.5%. The College had a provisional rating of 'Satisfactory' financial health as part of a self-assessment using the Education and Skills Funding Agency (ESFA) methodology. This was due to the new loan arrangements which were now in place. The revised financial health score would be confirmed in December 2017 once the accounts for 2016-17 were submitted to the ESFA.

The revolving credit facility (RCF) would be proactively managed over time to reduce borrowing and avoid unnecessary interest costs. The largest sensitivity was around the ability of the distance learning provider to deliver their contracted provision. Members sought clarification of the actions that were being taken to address any shortfall in income from this contract. Following discussion, *the accounts were received*.

**16/504**

**Annual Budget 2017-18 (Agenda item 17, Papers Pi and Pii)**

The latest version of the budget for 2017-18 was outlined and discussed. This had been updated following discussions at various meetings of the Finance Scrutiny Panel. This included a recommendation from a meeting in May 2017, to ensure that the budget now showed an underlying surplus for all of the forecast years. Other amendments included: the likely outturn for 2016-17; funding allocations from the ESFA; emerging data on applications and offers; asset disposals; and, revised loan arrangements which were now in place. The performance of the College to the end of May 2017 indicated that the College remained on track to deliver an underlying positive variance outturn for 2016-17. This would be slightly better than budget.

The annual budget had been developed based on a number of assumptions and a number of key changes were highlighted. These included a clawback in the Adult Education budget (AEB) for 19+ students which was now envisaged for 2016-17 due to the lower than expected delivery from the distance learning provider. Higher Education (HE) fee income for 2017/18 had been reduced due to a lower number of applications received and offers made. There would be a modest growth assumed thereafter. Higher Education Funding Council of England (HEFCE) discretionary funds would continue to fall. Growth in 16-18 provision in line with the curriculum plan. It was also assumed that Apprenticeship income would grow. Members were informed that this was likely to be limited in 2017-18 due to ESFA restrictions. Overall staff costs remained around the targeted 53% of turnover throughout the forecast period. A contingency element was also included in all forecast years.

Members were informed of the current actions that were being implemented by the College to respond to the reduction of student numbers in HE. This

included examples of efficiency savings and also a proactive approach to developing the HE offer with new partnership arrangements. Following discussion, *the reports were approved.*

**16/505 Insurance (Agenda item 18, Paper Q)**  
The minute is contained in a confidential annex at the end of this document.

**16/505 Minor and major equipment (Agenda item 19, Paper R)**  
The report was outlined and discussed. The report contained details of budget holders' requests for minor and major capital bids for 2017-18. Each application had been considered by the Senior Leadership Team (SLT). The report included recommendations from the SLT review. An action was agreed to check if the capital equipment was in the bank covenants. Following discussion, *the report was approved of up to the total.*

## **SECTION F – AUDIT**

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**16/506 Audit Committee Minutes (Agenda item 20, Paper S)**  
There were two parts of the minutes that the Chair of Audit brought to the Board's attention. The 'follow up of internal audit recommendations' had confirmed that 88% of the previously agreed recommendations had been fully implemented. Of the remainder, 6% had been superseded by another report and the other 6%, were considered no longer applicable. The overall conclusion was 'Substantia Assurance'. The terms of reference had also been reviewed. Members were informed of the changes that had been agreed. Following discussion, *the report was noted.*

**16/507 Internal Audit Plan (Agenda item 21, Paper T)**  
The report included an internal audit plan for the period 2017-18 and an updated strategy for 2013/14 to 2018/19. Forty days of work were planned for 2017-18 around 6 identified areas plus 4 non-risk areas. The report had been considered in detail by the Audit Committee. Following discussion, *the plan was approved.*

## **SECTION G – STRATEGIC DEVELOPMENTS**

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**16/508 Saudi Arabia (Agenda item 22, Paper U)**  
Good progress was being made. All four TOP (The Oxford Partnership) Colleges were rated good or better. Al Madinah College was graded as outstanding. Although the financial situation had been challenging, this had now stabilised. Members were informed of the positive variances in the accounts as at the end of the financial year 2016. Following discussion, *the report was received.*

**16/509 Operating Statement 2016-17 – Progress Update (Agenda item 23, Paper V)**  
A summary of progress of items in each category was presented. To date, 48% had been completed which was a 12% increase on the previous month. It was agreed that 'Complete' items would be removed in future versions of the report for the Board. Following discussion, *the report was noted.*

## **SECTION H – GOVERNANCE**

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**16/510 Governor Recruitment (Agenda item 24)**  
Expressions of interest had been received from potential candidates with education experience who wished to be considered as Board members. The Principal and Chair would be meeting the individuals during the summer

period. Another individual would be visiting the College who has expressed an interest in joining the Audit Committee. Another interview had taken place recently with a prospective governor with a background in Sport. A decision about whether he would like to join the Board was awaited. Following discussion, *the verbal update was noted.*

16/511

**Annual Reviews (Agenda item 25)**

**a) Standing Orders (Paper Wi)**

The annual review of the Standing Orders had been completed. A recommendation to change the maximum number of terms of office had been considered by the Search and Governance Committee. This Committee recommended that the maximum term should be reduced from 4 to 3. A set of conditions were agreed for extending a members' term of office beyond three terms. Following discussion, *the amendments were approved.*

**b) Committee Terms of Reference Review (Paper Wii)**

A review of Terms of Reference (ToR) had been completed by each Committee during the summer term. The proposed changes to the ToR for the Audit and Teaching, Learning and Assessment Committee were outlined. No changes were recommended for the Search and Governance, Remuneration and Special Committees. The ToR for the Finance Scrutiny Panel had been reviewed the same week. They would be presented to the next Corporation meeting on 28<sup>th</sup> September 2017. Following discussion, *the changes were approved.*

**c) Instrument and Articles of Government (Paper Wiii)**

The annual review of the Instrument and Articles of Government had been completed with two minor changes recommended. Following discussion, *the changes were approved.*

**d) Code of Conduct (Paper Wiv)**

The annual review of the Code of Conduct had been completed with two minor changes completed. Following discussion, *the changes were approved.*

16/512

**Meeting dates 2017-18 (Agenda item 26, Paper X)**

Meeting dates for 2017-18 were outlined. An additional Search and Governance Committee would be held in June 2017. Following discussion, *the dates were noted.*

**SECTION I - ITEMS TO NOTE**

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16/513

**Award of Student Bursaries (Agenda item 27, Paper Y)**

The report provided a summary of how the College distributed its main bursaries and funds to students based on an assessment of their needs. A total of 1,115 awards were awarded to students in 2016-17 totalling £563k. Financial support was provided via 8 main sources. Further discussions were planned with one charity to explore how the criteria could be made to be less restrictive, to help raise the opportunity to a broader range of eligible recipients. The Board wished to extend their thanks to the various charities and recognised the contribution and impact these funds have on students. Following discussion, *the report was noted.*

- 16/514 SEMLEP Area Review Report (Agenda item 28, Paper Z)**  
Members' attention was drawn to the recommendations of the Steering Group from March 2017. The contents of the report would remain confidential until it was published. Following discussion, the report was noted.
- 16/515 Date of next meeting**  
Thursday, 28<sup>th</sup> September 2017, 9.00 am in M6
- 16/516 Any other business**  
**a) Student Governor**  
Mandy Owen thanked the Board for their support during the year whilst she was a student governor. The Chair thanked Mandy for her contributions to the Board throughout the year and wished her well for the future

Mr L Howarth and Miss M Owen left the meeting.