

**Greater Brighton Metropolitan College
Board of Governors**

**Minutes of a meeting held at the Broadwater campus
Monday 24 September 2018 commencing at 4.30pm**

Present: Julie Nerney (Chair), Nick Juba (CEO), Claire Hopkins, Natalie Brett, Joy Mercer, Gary Anderson, Jim Hynes (Staff Governor), Scott Marshall, Anwar Musa (Student Governor)

In attendance: Sharon Collett (Principal) Rhiannon Phinbow (HR Director), Jon Rollings (COO), Lynn Payne (Interim Governance Adviser)

Apologies: Martyn Wilks
Jenny Brooker (Governance Adviser),

WELCOME, INTRODUCTIONS AND APOLOGIES

1. The Chair reminded Governors that at the last meeting it had been agreed she could extend the term of one of the outgoing staff Governors to cover the period until the next Staff Governor appointment was made. The new appointment would be tabled not later than the November Board meeting.

She advised that Debbie Waring had confirmed she did not wish to have her tenure extended for this temporary period, but had enjoyed her period on the Board. The Board thanked Debbie, for her contribution during her time as staff Governor.

The Chair confirmed that Jim Hynes had been asked to stay on as Staff Governor, until the new appointment was made, and that he had accepted. The Board thanked Jim for his continued commitment to the work of the Board.

MINUTES

2. The minutes of the meeting held on the 30 July 2018, having been previously circulated to Governors, were agreed as a true record and signed by the Chair.

MATTERS ARISING FROM THE MINUTES

3. It was noted that all matters arising had been completed, were in progress, or would be covered within the agenda.

SUCCESS MEASURES 2022

4. The CEO introduced this report. He reminded Governors that the 2022 success measures had been approved in Autumn 2017 following approval of the GB MET Strategic Plan. The Board away day in 2018 had reviewed the success measures and it had agreed that they continued to represent a good set of long term performance measures through which progress towards the strategic plan could be measured.
5. The CEO reminded Governors that the annual operating plans reviewed and approved by the Board and would continue to provide the detail on how each year contributed to the overall delivery of strategic objectives.

He explained the rationale behind the graphs provided in the appendices, which were designed to demonstrate the likely timing of various activities across the life of the strategic plan. This would enable the Board to have a frame of reference when reviewing progress against the strategic success measures and understand the rationale for any vacancies. Progress could be linear, spikey or achieved through step change at various points in time.

6. Governors asked whether the graphs were useful to the Executive team. The CEO felt that the process of developing the charts had been helpful and that they would assist the Board in their annual reviewing of progress against strategic objectives.
7. The Chair asked about the use of benchmarks as measures and asked for the Executive to consider the level of ambition associated with the choice of regional and national averages, which needed to be considered together with how the benchmarks were used..

The Board:

1. **Noted** the process towards the achievement of the five year success measures following year one of delivery against the strategic plan.
2. **Approved** minor amendments to the measures as discussed and reviewed at the Board away day in June 2018, and as set out in the report

RESOLVED: Amendments to the Success Measures 2022 were approved

3. **Discussed** the indicative timelines for achieving the various measures by 2022 as set out in the charts in Appendix 1.

CEO REPORT

Executive Summary

8. The CEO presented his report and referred to issues experienced by staff and students at the start of term resulting from multiple IT, digital and MIS projects undertaken over the summer. The move to a single GB MET domain had resulted in challenges at both system and process level. Aspects of the enrolment process were affected and impacted on the enrolment experience of some students. The CEO confirmed that an enrolment review was scheduled to take place later in the term to learn lessons to inform the 2019 cycle.
9. The Principal informed the Board that the college would work with students individually where there had been issues, and would manage late entrants.
10. The CEO advised the Board that the MIS team had been working hard to prepare the data required for the ESFA Provider Funding Audit and to manage the audit process itself. He noted that the volume of work generated by the Audit in advance of, and during, the site visit had been significant.
11. In relation to the enrolment process and the merging of the MIS systems, Board members asked what gave the Executive the confidence to do the Google migration ahead of the start of the new academic year. The CEO confirmed that there was some informed risk, but there was an overall view that it could be done satisfactorily. In addition, there was a limited time period in which this work could be taken outside of term time and before the start of the academic year.

12. It was noted that the Senior Leadership and Executive teams had begun to launch and promote the Curriculum, People, Digital and Marketing Strategies to staff across the College, which had been approved by the Board in 2017/18. It was noted that although work started last year on many of the projects and deliverables, now the restructuring activity was concluded, it was possible to increase the engagement with staff on the College's longer term goals and aspirations, including shaping the organisational culture.
13. Board members asked about marketing and student recruitment activities, in particular how much was spent, in what area, and for what the return. The CEO advised that the majority of spend on marketing related to student recruitment and focused on digital platforms (online and social), internal progression and targeted campaigns for specific audiences and programmes.
14. The CEO advised Board members that UCU had submitted their pay claim for 2018/19 and were demanding a 5% raise or £1,500 pay rise for all staff. The CEO advised that he had written to the UCU advising them that GB MET would not be able to meet the claim and that the process of harmonisation undertaken last year had already taken steps to address pay. It was expected that there would be a ballot of members on this issue.

Quality

15. The Principal informed Board members that the 2018 National Student Survey results indicated that there had been a slight decline in overall student satisfaction from 80% in 2017 to 79% in 2018. There had also been a drop in ratings for organisation and management, assessment and feedback, and learning resources. All curriculum areas were above the national benchmark apart from Business and Service Industries. Overall satisfaction of Music students had seen a significant increase from 58% to 88%.
16. She reported on the final FE Choice Learner Satisfaction results which were published in August 2018 and showed an overall satisfaction score of 81.6% being a 4% improvement on the previous year. There was a gap between 16-18 and 19+ satisfaction which needed addressing in 2018/19.
17. It was noted that GCSE English 9-4 achievement of 16-18 year old students had declined significantly this year to 22% and was now 2.8% below the 16/17 national average. The Principal outlined the context in which students sat GCSE English, including the new exams. In response to questions, she advised that there had been a change of leadership for GCSE English 16-18.
18. The Principal advised Board members that GCSE English 9-4 achievement of 19+ students had increased by 4% and was now 19.4% above the 2016/17 national average.
19. In relation to GCSE Maths, 16-18 and 19+ achievement had increased significantly and both were well above the national average at 30%.
20. On Apprenticeships KPIs, the Chair of the Board stated that this was the fifth report in a row where there was a downward trend in Apprenticeships KPI performance and that the appendix which had been included did not provide sufficient assurance on the actions that were in place to address this. A specific update on this which could detail cause and effect between actions and expected impact was required as part of the next quality update.

Action: Agenda item

Funding and Contract Performance

21. In relation to Advanced Learning Loans, the full year income was currently noted as £1,358k. The COO advised Board members that withdrawn students remained liable for the outstanding balance of their course fee, once their loan payments had stopped, but that collecting these could prove challenging. It was noted that the revised target of £1,425k would not be achieved.
22. The COO noted that the position shown on performance against apprenticeship contracts remained below target. There was a further return to be made which would include additional starts and achievement funding, but there was now an increasing risk that the targets would not be achieved. The target position was the basis of the amount included in the July Management Accounts, therefore a shortfall would have an adverse impact on the year-end position.

Finance

23. The COO informed the Board that the July Management Accounts showed a position broadly in line with the June forecast of outturn for EBITDA. The difference since the June forecast was £49k.
24. It was noted that the full I&E account showed a deficit of £920k (excluding a loss of asset disposals arising from a fixed asset register review). This was £144k above the June forecast due to the EBITDA variance and the variance of £93k on interest due to the increased use of the RCF during the year.
25. The COO informed the Board that the year-end cash balance of £741k, was above the previous projection of £216k, as an additional £500k RCF was drawn to cover the possibility of late payment of the Q1 LEP claim, for the Pelham project. In the event the LEP payment was received on 31 July.
26. The COO advised the Board that the additional use of this facility increased the College's gearing ratio and reduced the score attributed to this in the ESFA Financial Model. This would move the College's financial health rating based on the model's 'autoscore', from the current 'satisfactory' to 'inadequate'. He indicated there was a moderation process that would review this based on the fact that the change related to the capital redevelopment project. The position had been flagged and discussed with the ESFA.
27. The COO informed the Board that the year-end position would breach banking covenants and a formal waiver was being sought for this. In addition, he confirmed that co-ordinated engagement was taking place with Barclays Bank, the ESFA and the Transaction Unit (TU) to address the underlying liquidity weakness in the College's financial position.
28. The COO advised the Board how the ESFA would assess the financial health of the college. The ESFA would undertake a review based on the College's Financial Plan as submitted in July, and then a further review based on the Finance Record submitted in December. The overall Financial Health assessment is based on three ratios. The College's position relating to performance on the liquidity ratio would put the college in a position of 'informal monitoring'. Informal monitoring would result in a continuation of the quarterly review meetings that had already continued post-merger. Informal monitoring would trigger a referral to the FE Commissioner for review.
29. The COO advised the Board that in order to resolve the liquidity position the ESFA, Barclays Bank and the TU would all need to be engaged. He set out the agreed target

timeline for resolution as being December, in line with the going concern test relating to the annual Financial Statements.

30. The Board had a lengthy and interactive discussion on the role of Barclays Bank, the ESFA and the TU, and how they needed to work together to enable a good outcome for the college. There was a discussion on the TU's view of the college loan for merger, and whether it could be changed to a grant. The CEO advised that the TU had indicated this would be very difficult and would involve significant work.
31. The Chair of Audit asked whether it was known beforehand that the drawdown to cover the late payment to the Q1 LEP would trigger consequences, and there was a discussion about how these situations are monitored. Governors felt the Executive were doing an excellent job around the financial issues but that it might be useful to have a deeper discussion at the a future away day.
Action: Away Day agenda
32. The Chair of Audit observed that the strategic financial challenges ahead were significant and that there was a need to consider all potential and strategic options.

HR

33. The HR Director outlined the key points in her report, for discussion.
34. She confirmed staff appraisals had now been completed but that the HR team were continuing to chase managers for final paperwork.
35. The Staff Governor shared the difficulty with the appraisal process due to the sheer volume of appraisees some members of staff have to deal with. There was a discussion around how the appraisal system could be changed to facilitate easier completion. The Board were advised that plans are in place to do this in the year ahead.

Property

36. The report on Property had already been considered within other discussions on the CEO's report. It was noted that the planning application for the Pelham Redevelopment had been submitted, having been validated on 24 August, after the planners insistence that the full viability case was made public. As discussed earlier in the meeting, the approval remained targeted for the November planning committee but that this could slip to December without an impact on the current programme.
37. The Board noted the potential impact of the revised project timescales on the start of term 2020.

Risk Management

38. The report on Risk Management was noted. The Chair observed that the overall risk profile continued to increase, and there was much work to mitigate the issues highlighted. Consideration of how the Board monitors and gains assurance on strategic risk would form part of the review of the Audit Committee.

CORPORATION BUSINESS

39. The Chair introduced this item of business. Board members were reminded of the discussion at the last Board meeting on tenure of office.
- a. It was **agreed** that the current terms of office for External and Staff Governors, remained as they are currently, with each Governor being able to serve 3 terms of office with each term being for a maximum 3 year period.
 - b. It was **agreed** that the office of Chair, Vice Chair and Vice Chair Senior Independent Director, would be for the duration of an office holder's tenure.
 - c. It was **agreed** that the staggered duration of tenures put in place at the point of merger, were treated as the first of the 3 terms of office, regardless of duration.
40. The Board **agreed** a further term of office, for Joy Mercer whose current term would end in March 2019.
41. The Chair advised the Board that Martyn Wilks had decided to step down from the Board in March 2019, at the end of his current term of office. It was **agreed** a new search would now be launched for his replacement. The Chair asked Board members to approach their networks to seek out potential candidates who would also be willing to serve on the Audit Committee.
42. The overall attendance rate for Board meetings in 2017/18 was noted as 74%, for the Audit committee 75% and for the Remuneration Committee 100%

Governors **approved** the proposed new attendance targets.

- a. Board, including Away Days 85%
- b. Audit Committee 75%
- c. Remuneration Committee 100%.

The Chair asked Board members to do all they can to support the attendance targets, as the smaller Board created a greater impact from missed meetings.

43. The nomination process for the new Chair, Vice Chair and Vice Chair Senior Independent Director appointments was noted, and Board members were asked to respond to the Clerk with nominations by 7 October.

APPOINTMENT PROCESS FOR STAFF GOVERNOR

44. The Board had received the amended Staff Governor appointment process. It was noted the Trade Unions had been advised of the new process at the Joint Council earlier in September. Recruitment would commence shortly then a selection panel would convened to interview potential candidates with the recommended appointment being made at the October or November Board meeting.

RESOLVED: Governors approved the appointment process for Staff Governors.

AUDIT COMMITTEE MINUTES 26th July 2018

45. The Audit Committee minutes were noted.

REMUNERATION COMMITTEE MINUTES 23rd July 2018

46. The Remuneration Committee minutes were noted.

SCHEDULE OF BUSINESS

47. The Board had received the annual schedule of business which was noted as a live document, that would be updated in the year, as required.
The Schedule of Business was approved.

DATE OF NEXT MEETING

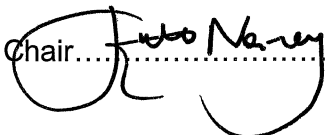
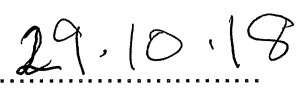
48. No other business was raised.
The date of the next meeting was confirmed as Monday 29 October 2018 at 4.30pm at the Brighton Central campus.

MEETING EVALUATION

Board members commented as follows:

- The report on issues experienced at the start of term was felt to be helpful and delivered in an open and transparent manner.
- The Executive team were working hard, Board members felt confident with their approach
- There was a good presentation from the Assistant Principal, Carolyn Wright
- There was a view that reading the papers before the meeting, had raised causes for concern, but that the Executive team had been able to express things well in the meeting and that their explanations were accessible, useful and reasonable
- Generally it was felt that, as the papers were taken as read, the Executive reports need not be rehearsed in the meeting, but the time could more usefully be used in discussion on the key points
- There was a good level of challenge at the meeting
- The Chair felt there was good support for all the issues

The meeting closed at 7.00pm.

Signature of Chair.......... Date..........