

GOVERNING BODY

Minutes of the meeting of the Governing Body held in LSF24 at 17:00 on 29th January 2020

- Present:** Kevin Finan (Chair), Sam Bryant-Jones, Harrison Edwards, Sean Mackney, Lena Marvão, Holly Milton-Jeffries, Maxine Padgham, Mark Rogers, Iain Springate, Lindy Stacey, Lee Thommen, Jenny Wallace and Chris Williams
- In Attendance:** Bill Blythe (on VC from Mid Devon Campus), Jane Hanson, Sheena Murphy-Collett (on VC from MDC), Craig Litster (for item 6) and Jon Hardy for the T-Level briefing.
- Governance Advisor:** Jane Barton

Jon Hardy, Assistant Principal, delivered a 'bite sized' development session on T-Levels. Governors were briefed about T-Levels which are brand new 2 year technical qualifications sitting alongside Apprenticeships and A-Levels. T Levels will be based on the same standards as apprenticeships, are designed by employers and approved by the Institute for Apprenticeships and Technical Education.

The briefing covered the requirements of T Levels, the challenges faced, the funding available and the impact on Petroc Learners and local stakeholders.

Governors asked a number of questions relating to T-Levels, including asking how the new curriculum would affect the current BTEC offer, what training staff will need to be able to deliver T-Levels and the implications of the work placement element of T-Levels.

Governors thanked Jon Hardy for the very comprehensive briefing.

Agenda:

1. Membership and Apologies for Absence

Apologies were received from Andy Champion, Steve Richardson and David Chalmers.

The Chair welcomed Holly Milton-Jefferies to her first Board meeting.

2. Declaration of Interests

No declaration of interests were declared.

3. Confidential Items

Item 7 (Budget and Forecast), item 8 (Recruitment by Partner Schools and item 10 were declared as confidential due to the business sensitive nature of the subjects; item 11 would be heard without Staff and Student Governors present.

4. Business brought forward by the Chair

The Chair reminded Governors of the Governor Development day planned for Monday 24th February; starting at 10.30 am at the Mid Devon Campus.

There were no other items brought forward for discussion by the Chair.

5. Matters for Report and Approval: 19FGB33

The minutes of the previous meeting of the Full Governing Body held on Wednesday 11th December 2019 were approved and signed by the Chair.

6. Quality, Curriculum and Learners

Higher Education (HE) Update:

HE Access and Participation Plan 2018/2019 Monitoring 19FGB35

In introducing the paper, Assistant Principal, Craig Litster reminded the Board that In December a paper was presented to the Governing Body explaining how the College intended to assure the Board that the Office for Students (OfS) conditions regarding the provision of HE at Petroc were being met.

The paper identified the need to review and monitor our Access and Participation plan on an annual basis. One of the four main objectives of the Office for Students (OfS) being to ensure “all students are supported to access, succeed, achieve and progress from higher education”

The Board noted how the College performed against the Access Agreement 2018 /2019. The identified targets and milestones were:

To improve retention to 84%. **In 2018/19 actual retention on final year programmes was 93.7%.**

To increase internal progression from our level 3 programmes from 70% to 75%. In 2018/19, 62% of HE students had previously achieved an FE qualification at Petroc. This means we have not currently met this target and indicates a need to place a greater emphasis upon internal progression.

To increase progression from our FdA / FdSc programmes onto our BA programmes to 20%. **In 2018/19, 32.5% of Level 5 students progressed to Petroc BA programmes.**

Maintain our widening participation performance with regard to recruitment of students from POLAR quintiles 1, 2 and 3. **In 2018/19, 55% of HE students resided in POLAR 4 Quintiles 1 and 2.** This is comparable with the recruitment of students from low participation neighbourhoods in 2016/2017 and 2017/2018.

Craig Litster made reference to the lack of rigour of the targets and advised the Board that the OfS have required far more detailed, ambitious and quantifiable targets within the Access and Participation Plans for 2019/2020 and 2020/2021.

The Board were advised that due to the required timeframes of the OfS, Petroc submitted the 2019/2020 Access and Participation Plan in July 2018; this was approved by the OfS in September

2018. This plan placed a greater emphasis upon success and progression, including the recruitment of an Academic Skills Advisor. It was noted that the agenda for these plans continues to evolve with the OfS requiring greater detail from HE institutions in terms of the evidence the impact of additional income raised has had.

In acknowledging the risks associated with the proposal it was recognised; albeit unlikely, that the OfS could ultimately de-register and prevent an institution charging above the basic fee of £6165 per annum. The Board were advised that this is highly unlikely to occur at Petroc as the College has identified and achieved a number of its priority targets, particularly those concerned with improving retention and success. The College will provide a return to the OfS in February that will detail expenditure on Access, Success and Financial Support.

In receiving the report Governors questioned:

The impact on future fee levels:

- Governors were assured that the College is continually looking to develop and strengthen the curriculum offer to ensure it links closely with earnings and graduate opportunities for Petroc learners within the Northern and Mid Devon area and how the College makes productive use of the fees it receives.

How the College could increase the recruitment of learners from POLAR areas 1 and 2:

- Governors were briefed on the work of the Next Steps SW project and the outreach work being done to encourage learners from non-traditional backgrounds to engage in HE study. It was recognised that early intervention with young people to raise aspirations was essential this includes marketing the benefits of HE study to parents.

How the College can encourage progression from within its current FE student body:

- Governors were advised that work is on-going to improve progression from FE into HE; this includes working with Faculties to ensure there is an expectation that Petroc's FE learners will progress into an HE programme at Petroc. Work with Petroc's stakeholders continues to ensure that the HE pathways bring meaningful benefits to the local community.

Governors noted the monitoring report covering the HE Access and Participation Plan

HE Strategic Business Development

19FGB34

Craig Litster - Assistant Principal, in presenting the paper sought to raise the Board's awareness of a range of issues under-consideration by the Executive team. The paper set out a number of propositions for the College related to achieving growth in HE, managing risk, increasing agility and responsiveness, improving the range of programmes and their quality.

Craig Litster commenced his presentation recognising that the Higher Education environment continues to change at pace. Pointing out that the creation of the Office for Students (OFS) has had a substantial impact on how the quality of HE provision is judged, graduate employability and student continuation rising in importance, and acknowledging that the market for undergraduate students has become increasingly competitive. The last three years has seen a huge rise in the number of students given unconditional offers by a broad range of HE providers, all trying to increase the scale of undergraduate recruitment during a period where the actual number of 18 to 20 year olds nationally is in decline. This has led to new forms of competition with institutions as diverse as Exeter University,

The University of Plymouth, The University of the West of England as well as Petroc and other FE colleges competing for students with similar profiles.

The Board were advised that these changes to the external environment have impacted upon Petroc, with HE recruitment declining in 2019 /2020. To arrest this decline and ensure that our HE offer meets the needs of our students and local communities will require Petroc to revitalise our HE offer, and create a new curriculum with a focus upon graduate employment and student success.

A detailed discussion followed which explored a number of propositions for the College:

- achieving growth in HE
- the risks involved and the management of those risks
- how the College could increase its agility and responsiveness, and
- improve the range of its offer

Governors supported the propositions included within the paper and welcomed the opportunity to discuss further during the Strategic Development event on 24th February.

Initial thoughts and suggestions:

- That curriculum development in the future, in recognising the Coastal nature of much of Petroc's area, include a degree level programme relating to Biosphere employment opportunities. Governors also made reference to possible opportunities to offer accommodation to learners coming from outside the area.
- That the College consider its HE partnership arrangements, might there be a requirement to partner with more HE institutions? It was acknowledged that the imperative was to respond to the needs of our Community and in doing so this might mean developing partnership arrangements with a broader range of HE partners.
- Consideration be given to the branding of Higher Education at Petroc.

Governors asked:

Why Petroc offered FdA programmes and not HND programmes?

- Governors were advised that in the South West foundation degree programmes were more popular. Nationally HND programmes were more widely recognised. The Institutes of Technology were created to raise the profile of level 4/5 provision across the Country.

Should Petroc be cautious when considering setting higher fee levels?

- Governors were advised that there were no indications (currently) that the take-up of HE study at Petroc is unduly impacted by the fee level. Higher fees would allow the College to invest further in creating increased employment opportunities with targeted investment spent on greater support for learners; clearly value based pricing needs to be ensured and demonstrated.

Should Petroc consider achieving Degree Awarding Powers?

- Governors were advised of the requirements to achieve Degree Awarding Powers and the challenges involved. This is something under discussion.

Governors thanked Craig Litster for his paper which prompted a useful discussion on the strategic direction of HE business development.

Craig Litster left the meeting.

7. Finance and Resources:

Budget and Forecast early indications

Confidential

19FGB36

The Vice Principal Finance and Resources made reference to the Education and Skills Funding Agency (ESFA) change to the way colleges are required to report their financial plans, budgets and forecasts. He reminded Governors that a new integrated financial model for colleges (IFMC) has been created which will reflect 4 years' worth of data. The Board were advised that this return requires the approval of the corporation and is due to be returned to the ESFA by 28th February 2020.

The Vice Principal Finance and Resources took the Board through the requirements of the detailed commentary the ESFA's IFMC required and highlighted the expectation that the ESFA expect the Corporation to demonstrate that accountability for ensuring the financial viability of the college, and in recognising this responsibility must regularly assess financial health, resilience and threats to insolvency. The corporation must approve the IFMC.

All this paperwork will, as required by the ESFA be completed and presented for Board approval on 24th February 2020.

The Vice Principal Finance and Resources asked the Board to note the report and to advise as to whether the high level budget strategy is one that they would want to see reflected in the IFMC that will come to the Board in February; and

To note that, whilst every effort will (as the Board would expect) be made, to accurately estimate the 2020/2021 budget in the IFMC in February, it is felt appropriate that the Board are presented with budget updates regularly but with the proposal that a formal re-forecast is adopted at the July board.

A lengthy discussion followed which focussed on the Income and Expenditure challenges faced by the College including the analysis of risks. It was noted that based on the headlines presented the forecast aims for an operating surplus of circa £190K.

Month 4 Management accounts:

19FGB37

The Management Accounts for Month 4 (end of October) 2019/2020 were presented to the Board. In presenting these accounts the Vice Principal Finance and Resources sought to provide the board with an up-to-date picture of financial performance against targets, including the College's annual Income and Expenditure, Net Worth through the Balance Sheet and its current and future Cash Position.

The Board are particularly asked to note that the ESFA are focussing (rightly) much more on College's cash balances and to college's ability to service loan costs:

Cash/Capital - It is understood that the promised capital funding for colleges that was included in the Conservative Manifesto will be linked to a requirement for Colleges to provide match funding (20% as a minimum has been mooted) and this will put further pressure on cash balances and/or loan levels if

the College wishes (as it does) to take advantage of substantial Capital funding to modernise and improve the Estate.

Availability of funds and/or the match requirement is likely to then be linked to affordability – it may be that, as noted above, debt servicing rather than the more traditional borrowing as a % of income is used to determine affordability.

The college maintains excellent relationships with both Barclays and Lloyds but both have relatively low appetite to extend their loan facilities to the sector; the College is confident however that, with the right business case, they would look favourably on Petroc.

Any capital receipts that may be available to the college would normally (not a requirement but an expectation of the ESFA) be ring-fenced for future capital and could provide match funding cover if the timing is right.

Governors discussed the College's cash position and plans to improve teaching and learning efficiency and improve the % of staff cost against % of income.

The Director for Human Resources and Organisational Development outlined a process improvement initiative currently under consideration.

Governors suggested using local expertise to support the Heads of Faculty as they apply process improvement strategies; the Director for HR and Organisational Development will liaise with external Governor Lindy Stacey to facilitate this.

The Month 4 accounts and the accompanying report were received and noted.

Project Performance Report

19FGB38

The Vice Principal Finance and Resources provided the Board with an overview of the current performance project activity. It was reported that Petroc is currently managing 20 live projects valued at over £2.85 million. In addition, the team also manages some £341k of City Deal funding for the delivery element of the Personal Mentor Network and is responsible for the coordination of the recently reformed Northern Devon Employment and Skills Board. These projects are funded by a range of income streams and vary in size and scope.

Brexit: Governors were advised that the College are beginning the process of:

- supporting AOC campaigns for post-EU structural funds (shared prosperity fund) - this however seems to have gone quiet recently in Government;
- backing the LEP's (and great South-West) call for the retention of some form of assisted area status for the South west; and
- developing a statement (manifesto) for what the College could do locally with a share of such funds;

Governors noted the Project Performance Report; acknowledging impact of Brexit.

Treasury Management Policy

19FGB39

The Vice Principal Finance and Resources presented for approval the updated Treasury Management Policy highlighting that the College delegates responsibility for the implementation and monitoring of its treasury management policies and practices to the Governing Body, and for the execution and

administration of treasury management decisions to the Vice Principal Finance and Resources, who will act in accordance with Petroc's policy statement and Treasury Management Practices (TMPs).

The Board reviewed the updated policy noting that this reflects changes in Financial Institutions Fitch Ratings. Approved.

8. Partnership and External Engagement:

Annual Review to the Community 19FGB40

The Principal and CEO presented the Annual Report to the Community which celebrates Petroc's many successes during 2018/2019 including the many awards the College received; achieving the No 1 College in FE Week NICDEX table, Silver Award for BTEC College of the Year, and being placed in the top 20% in the country when it comes to value added at A-level; alongside these awards the College was awarded Beacon Standard and Commended status for its Erasmus+ funded Petroc Go project. The annual review also highlights the focus for 2019/2020 with the official launch of the Centre of Technology and Innovation Excellence (Cotie) and South West Institute of Technology (SWIoT), as well as the launch of the nursing degree; all of which will help fill the skills gaps in engineering and nursing that North Devon currently face.

The Annual Report to the Community was considered and approved. Governors congratulated all involved.

Annual review of recruitment against targets by Partner Schools: (Commercially Sensitive) 19FGB41

The Board received the Annual review of recruitment against targets by Partner Schools.

9. Governance:

Governance Improvement Plan - Progress Update 19FGB42

The Governance Advisor asked the Board to note the progress made in meeting the objectives of the Governance Improvement Plan.

Governors noted that reasonable progress has been made.

Membership Matters:

The Chair announced that Sam Bryant-Jones was standing down as the Support Staff Governor and this was her last meeting. The Board thanked Sam for her commitment to the Board and wished her well with her future plans. Recruiting Sam's successor was in-hand.

The Governance Advisor informed the Board that it was her intention to retire at the end of the current academic year.

10. Our People:

Strictly Confidential Pay review 2019-2020 and plans for 2020/2021 19FGB43

The Board discussed the report and noted:

- that with the financial context contained within this paper and our continued challenges around pay, a consolidated pay award currently appears prohibitive to award
- that with the national and local context around the union action and their 'ask', paying nothing may well lead to continued and sustained union action and considerable impact on staff morale, and risks damaging the learning and teaching experience
- that it is anticipated the College in 2019/2020 will spend its restructuring funds in full and may not achieve the target surplus of £119k
- to resolve that, recognising the financial position, a decision on any award is deferred until later in the year when the financial position will be more certain; with an initial review by the board in March.

After consideration the Governors agreed to defer any decision on a pay award until the financial position becomes more certain, a review is expected to come to the Board meeting 24th March 2020.

Governor Development day: Monday 24th February 2020 starting at 10.30am at the Mid Devon Campus

Date of the next meeting: Tuesday 24th March 2020 at 5.00 pm – North Devon Campus.

The Staff and Student Governors left the meeting at 8pm.