

# MEETING MINUTES

**MEETING** Corporation Board

DATE: Wednesday 14<sup>th</sup> February 2018      TIME: 10.00-12.50  
 VENUE: NCHSR, 2, Lister Street, Birmingham B7 4AG      CHAIRED BY: Alison Munro  
 MINUTE/ACTION TAKER: Sally Brook Shanahan, Clerk to the Corporation & Legal Officer

## ATTENDEES

1. Alison Munro (AM)	2. Alex Stephenson (AS)	3. Clair Mowbray (CM)
4. Anita Bhalla (AB)	5. Prof. Jon Binner (JB)	6. Alistair Dormer (AD)
7. Josh Fellingham-Boyce (JFB)	8. Carl Garrud (CG)	9. Philip Hoare (PH) – left the meeting at 12 noon.
10. Nick Kataria (NK)	11. Jo Miller (JM) – dialled in	12. Suzanne Roberts (SR)
13. Colin Stewart (CS)	14. Mark Thurston (MT)	15. Alex Tranter (AT)
APOLOGIES: Naomi Connell (NC) and Shilpi Akbar (SA)		
IN ATTENDANCE: Neil Brayshaw (NB), Sally Brook Shanahan (SBS), Tom Newman (TN) for the preliminary item only and Martin Owen (MO)		

TOPIC	WHO	WHEN
<p><b>Preliminary Item - Board Portal</b></p> <p>TN delivered a short presentation and led a tutorial on the use and functionality of the newly implemented Board Portal supplied by Board Intelligence.</p> <p>Members asked for the meeting agenda to be sent out by email at the same time the pack is loaded to the portal (<b>ACT80</b>).</p>	SBS	9.5.18

<p>CS also noted an issue with the field lengths on the agenda being too short and asked for this to be resolved so item descriptions were not cut off (<b>ACT81</b>).</p>	<p>TN/ SBS</p>	<p>9.5.18</p>
<p><b>1. Welcome and Introductions</b></p> <p>AM welcomed all present to the meeting and asked them to introduce themselves for the benefit of Josh Fellingham-Boyce who was attending for the first time.</p>		
<p><b>2. Declarations of Interests</b></p> <p>MT declared an interest in the Chief Executive's Report in his capacity as the Accounting Officer of HS2 Limited. Otherwise there were no further declarations of interests beyond those already recorded in the Register of Interests. In the context of the items on the meeting agenda, AS drew attention to his already declared interests as Chair of the MTC and a member of the Board of South &amp; City College.</p>		
<p><b>3. Apologies for absence</b></p> <p>Apologies were received from Naomi Connell, Board Member, and Shilpi Akbar, regular attendee.</p>		
<p><b>4. Appointments</b></p> <p>The following appointments were agreed unanimously on the recommendation of the Search &amp; Governance Committee:</p> <ul style="list-style-type: none"> <li>(i) Josh Fellingham-Boyce as the Doncaster based Staff Board Member on a job-share basis for an initial term to 31<sup>st</sup> July 2018</li> <li>(ii) Neil Hayward of HS2 Limited, as a co-opted Member of the Curriculum, Quality &amp; Standards Committee for an initial term of two years.</li> </ul>		
<p><b>5. Minutes of the meeting held on 13<sup>th</sup> December 2017</b></p> <p>The minutes of the meeting of the Corporation Board held on 13<sup>th</sup> December 2017 were agreed and signed by the Chair as a true record.</p>		
<p><b>6. Actions Log from the meeting held on 13<sup>th</sup> December 2017</b></p> <ul style="list-style-type: none"> <li>(i) <u>ACT71 – Chief Executive's Report</u> - In relation to this closed Action CM confirmed the Level 4 Rail Engineering Apprenticeship Standard was not included in the 2017/18 Prospectus but the potential to fit it into the</li> </ul>		

<p>wider College offering, including staffing, remained under consideration.</p> <p>(ii) <u>ACT74 – Business Plan and Performance Indicators</u> – It was agreed to use the six KPIs suggested plus Safety as the starting point for future reporting beginning at the next meeting and consider the addition of the further indicators suggested by Members as part of the iterative development of the KPIs. The action was closed.</p>		
<p><b>7. Value Moment</b></p> <p>AM introduced this new standing agenda item and asked SBS to nominate a Board Member to lead on it at future meetings (ACT82).</p> <p>AM said she had been looking at the College values, particularly “Safety” and “Collaboration”. She highlighted the opportunity to create a culture for the College’s learners so they emerged at the end of their courses with safety as a way of life. Similarly, AS said “Collaboration” emphasised the opportunity to build collaborative spirit and team building that will be so important for HS2 and also noted the importance of behaviour as well as technical and academic skills when recruiting.</p> <p>NB told Members that trackside safety, appropriate conduct in the workshops as well as behaviour generally, including the need to wear identification badges, all formed part of the model the College delivered. He reported that Doncaster based learners who are already working in industry were sharing their experiences of the workplace with other learners. NB drew Members attention to the blended learning that the College offered as a result of which, such behaviours were being embedded within the curriculum as part of everyday working along with live experience.</p> <p>JB asked NB how the feedback loop was closed. NB explained this was done through learner and employer feedback, learners challenging each other, supportive observations and following up where any inappropriate behaviour was identified. NB highlighted the College’s open culture in which an individual could approach and challenge another. He confirmed that currently no concerns had been flagged up and that any that were would be brought to the attention of the Curriculum, Quality &amp; Standards Committee. AT added that in addition the College had a Skills Matrix for apprentices which used a traffic light system.</p> <p>PH commended the positive approach to Health &amp; Safety, particularly the engagement with employers. He referred to the numerous Health &amp; Safety Bulletins that are published and suggested there was an opportunity for some of them to be used by learners as a basis for group discussion. In addition, he noted the importance for external speakers to include focus on Health &amp; Safety to ensure the subject maintained its profile.</p>	<p>SBS</p>	<p>16.5.18</p>

AD agreed adding that learners also needed to be taught to think as no one could ever be 100% safe. Further, to be cost competitive people needed to be able to assess risk from a realistic perspective rather than via a tick box approach. Compliance with the Regulations, he said, was only part of what was necessary as businesses also needed to challenge and innovate in order to manage risk.

MT asked whether it would be helpful to have “Value Moments” at the start of lectures. AM said she felt it would be necessary for some but not all. AT suggested a “Safety Hour” as another option. MT said he felt a 60 second slot at the start or end of a lecture might be more effective which CM felt should be the first of the day. Overall MT said Health & Safety needed to be embedded in the College’s culture so that by the time learners were in the workplace it was the norm and any barriers they had about verbalising it were overcome. SR said learners would also take the benefits back to their companies. NB agreed the approach would be great for all learners and noted it would be important not to spring the discussion on learners as they needed to be able to think about what was relevant beforehand.

**8. Chief Executive’s Report**

CM introduced her report which highlighted key matters. Recent meetings with the Department for Transport (“DfT”) and the Department for Education (“DfE”) had centred largely on the HS2 Loan. By 16<sup>th</sup> February 2018 CM said terms and conditions around the loan would have been finalised along with an agreed repayment schedule. Both Departments were aware of the cash issue faced by the College that had not improved and were looking at when repayments might begin. Members noted senior members of both Departments and HM Treasury would shortly be visiting the College. Actions were in place along with a commitment from the Departments to go to the Treasury to support the College with its cash position.

CM reported that the recent successful compliance meeting with DfT meant the College could continue to provide Apprenticeships.

On 12<sup>th</sup> February 2018 CM said she had met with representatives from the Education and Skills Funding Agency (“ESFA”) in London at which the ability for Levy paying employers to pass on up to 10% of their Levy monies to non-Levy paying companies in their supply chains was raised. Companies who received these monies would not then be required to pay the 10% contribution towards apprenticeship training normally paid by non-Levy paying companies.

CM referred to the positive publicity the College was receiving amongst which she noted one negative article comprising around 100 words on page 31 of the Sun on Sunday that concerned her personally. CM offered to share more information with Members, if required. An article in which CM had participated had been broadcast on the World at One programme on Radio 4 and was highly positive about the College. AM also referred to the excellent coverage in the Times Apprenticeship supplement and congratulated those involved in securing it. High profile visits had also been scheduled including Jeremy Corbyn MP due to come to the Birmingham campus to deliver a speech and the Lord Mayors of both Birmingham and Doncaster visiting their respective local campus.

There were currently 93 learners on the College's books including two new cohorts at the Doncaster campus and additional civil engineering and Operational/Departmental management recruits in Birmingham. Information was now available about attraction including an "apprentice versus vacancies" table that showed highly positive attraction. This included fifty learners who wanted to follow the track pathway but where there was a shortage of vacancies. As the College was a new organisation this was not unexpected as companies needed to get to know it, but it emphasised the need to ensure the message about the College is disseminated widely as the College needed opportunities with which to match the interest.

Attention then turned to September 2018 recruitment. Members noted the College's ability to drive the recruitment of full-time learners including the first cohort of UCAS applicants recruited via Sheffield Hallam University. CM strongly emphasised the need for vacancies and opportunities in the industry hence her "call for action" to all Members asking them to promote the College via their networks to address the mismatch between interest from learners and opportunities (**ACT83**).

Members noted the availability of Apprenticeships had gone down by 61% since the introduction of the Levy with some Levy-paying employers not yet having activated their digital accounts. AS noted the national drop in apprenticeships was an issue across all sectors. MT confirmed the problem was widespread and said particular issues with gaps in core construction skills had been raised with him.

AM drew attention to the large unspent Levy pot which CM confirmed would be lost if it remained unspent for 18 months. A discussion followed about the ways in which the College was engaging with companies and trade organisations during which CM described how the Business Development Team had been re-shaped and recruited to meet this need. Currently it comprised two persons and would soon be three. Events directed at the industry

All

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were being hosted at both College campuses in order to brief them about the Levy. The College had also been invited to be a part of the RIA's new video about opportunities that would also help to get the message out.

CS said some employer companies had followed candidates from school and so September 2018 admissions of those persons would be key to building on-going relationships. CM recognised this need and re-emphasised that assistance from Board Members would be appreciated.

CM outlined the interest expressed in the development of a Driver Academy with six learners coming from DB Cargo in April 2018 as the initial cohort.

Discussion turned to the need to track apprentices coming to the College via HS2 Limited. MT confirmed most were via enabling works contractors. CM said volumes per contractor were supplied to HS2 Limited and that this information would feed into conversations about what more can be done. MT confirmed the consultancies were also being pushed to recruit apprentices. AT said candidates were already applying for September 2018 and emphasised the importance for the College to keep them.

CG raised the matter about Tier 2 commitments to apprenticeships and said that although his firm had recruited apprentices he understood there was no commitment for these firms to do so. MT agreed to check the position (ACT84). GC said his firm had anticipated the need to do so but others may not.

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MO asked if Members understood how the Levy worked including the ability for employers to direct how their tax was spent. Members said a one-page aide memoire would be useful and asked for it to be prepared and circulated (ACT85).

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AD added that it would also be useful for Members to have a top-level summary of current recruitment and where it was heading including a breakdown between the two campuses. AM asked for this to also include diversity (ACT86). CM noted that in future all this information would sit within the KPIs.

CM

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AM enquired about concerns. CM said she had no concerns about learner numbers but did have some regarding the Track and Systems pathways at the Doncaster campus where opportunities for learners needed to come forward to resolve the imbalance between campuses. In this context PH observed the rail sector was currently depressed as it was in the last year of CP5 that meant other than HS2, a decline in recruitment was expected. This was part of a cycle and currently reflected the reality.

Members received the Report.

## 9. Finance Report

MO introduced the paper and highlighted a number of matters. This included income levels being lower than budgeted due to the inability to recruit new apprentices on programme whilst the Funding Band was unresolved and the impact of not having a CPD programme as a result of difficulties encountered in recruiting a member of staff to run it. Meanwhile expenditure was being managed as well as it could be and the final tranche of the DfE loan had been brought forward to assist cashflow which MO confirmed was now in a solid position.

MT enquired about the metrics relating to the £6K Funding Band shortfall that had been reported as resulting in a £7.5m deficit over 7 years. MO confirmed the calculation was based on the recruitment of 100 apprentices per annum each of whom would be with the College for three years. MT asked whether that was a realistic assumption. CM said the numbers were big if the College only had its current curriculum but less so in view of the planned diversification including Construction Site Management where there is already demand as well as offering traditional engineering at Level 4. MT enquired, mindful of Board Members' fiduciary responsibilities, whether the deficit figure remained accurate. MO acknowledged the target numbers were a significant challenge but looking at the sector his view was the College was only scratching the surface as it was the only provider of High Speed apprenticeships at higher levels. PH noted the College was sized on 1600 learners at each campus. MO said there was currently a lack of momentum and a situation where all learners had been signed up on a promise as there were no buildings or learners at the time they were recruited. CM said numbers would ramp up over a five-year period from the current 93 learners and that spreading the risk of growing numbers was currently being examined. MT noted the need to revisit the projection when the Business Plan next comes to the Board. AM pointed out the need to tie together the number of apprenticeships HS2 Limited aspired to sign up to with the College whilst noting the impact of the Levy and sector issues generally.

AD raised the position of Network Rail. He said the company had its own scheme and wondered if there was potential to realign that. CM said she was in discussion with Network Rail about the delivery of Level 4 and Level 5 provision and the potential for the College to be their delivery partner.

JM said following on from recent discussions in the Finance & Resources Committee the College probably would not have opened early, noting the continuing theme of Government pronouncements that have been impacted by the decision of the Institute for Apprenticeships. A candid discussion followed about the difficult position the College had been placed in as a consequence of the

<p>decision on the Funding Band and the likelihood that it will not be reviewed for three years.</p> <p>A further conversation focussed on assumptions for apprenticeship commitments by contractors and consortia in which MT said the College team could assist by supplying the breakeven point (ACT87). In terms of the development of the Business Plan PH recommended the inclusion of an aggressive growth plan as it would be illogical for Network Rail to develop separate provision when there was already a specialised College.</p> <p>Drawing on the discussion, including the need to establish funding from the DfE and, regardless of that, to establish the College's break-even number, AM said these matters would form the basis for a strategic discussion that would be included on the agenda for the next Board meeting (ACT88).</p> <p>In response to an enquiry from CG about discussions with Network Rail it was noted CP6 was coming up for tender in the coming months but with no requirements for apprenticeships in the contracts. CM stated the College was not involved in how Network Rail released its contracts and this was a matter that only DfT could influence hence she and AM would be meeting with the Director General to have that conversation to align him with the College. CG said the supply chain should also be mandated to engage apprentices and he will pursue that with DfT (ACT89). AD commented that similar opportunities could be taken via the franchising process with the Train Operating Companies.</p>	<p>MO</p> <p>SBS</p> <p>CG</p>	<p>asap</p> <p>16.5.18</p> <p>16.5.18</p>
<p><b>10. Committee Verbal Updates:</b></p> <p>(i) <b>Quality &amp; Standards Committee Meeting held on 16<sup>th</sup> January 2018</b></p> <p>CS, who had been re-elected as Committee Chair, noted the Committee had been renamed the "Curriculum, Quality &amp; Standards Committee" in order to emphasise its focus on curriculum matters. New members had been welcomed to the Committee with Alex Tranter joining from the Staff and Nick Kataria from the Student cohort. Neil Hayward, HR Director at HS2 Limited, deputised for Mark Thurston at the meeting. Neil has agreed to join the Committee as a co-opted Member and will be formally an alternate for Mark Thurston in future, if required.</p> <p>CS proceeded to run through the papers that were before the Committee including the Curriculum Development Plan noting the exciting opportunity for the College to have a Professor of Industry on secondment. Challenges for the Curriculum were noted to include the recruitment of high quality teaching staff.</p>		

<p>Other matters included Committee KPIs and the forthcoming Self-Assessment Report process together with Staff feedback received via Alex Tranter.</p> <p><b>(ii) Audit Committee Meeting held on 22<sup>nd</sup> January 2018</b></p> <p>In NC's absence, AS reported on proceedings at the Committee's meeting and confirmed NC had been re-elected as Committee Chair for a further year. He said the Committee had received the Internal Audit Report on Procurement &amp; Contracting that had confirmed management was good. The report had also provided a timeline looking backwards in relation to the procurement of the College buildings and equipment the upside of which showed the systems were now more robust. The issue of "Corporate Memory" had also been raised and would be referred to the Search &amp; Governance Committee for discussion at its next meeting (<b>ACT 90</b>). MO noted the improvements made to processes including record keeping and the establishment of a Contracts Register that contributed to the retention of corporate memory.</p> <p>AS reported that the Committee had also discussed the Internal Audit Reports it was due to receive at its meetings in April and July 2018.</p> <p>Finally, a discussion about risk had taken place that included learner numbers against the 5-year Plan and the income from each learner. Members were also reassured by CM that the five Carillion apprentices had been taken on by Keir within 24 hours of the announcement of Carillion's demise. CM confirmed all the learners were being well supported through the transition which was an example of a success story happening due to good planning.</p> <p><b>(iii) Finance &amp; Resources Committee Meeting held on 24<sup>th</sup> January 2018</b></p> <p>JM reported the Committee had reviewed the financial scenarios and consequences of the IfA's decision and its external consequences. The Committee had also examined the potential for diversification into opportunities that complimented the College offer.</p> <p>A number of reviews had also taken place that included HR policies and procedures and revised Financial Regulations that were recommended to the Corporation for approval later in the meeting.</p>	<p>SBS</p>	<p>23.05.18</p>
<p><b>11. HS2 Update and supply chain commitments</b></p> <p>MT updated Members on the programme. <u>Phase 1</u> continued including with the procurement of trains and systems. Two appointments had been made for station design. Southern station appointments were scheduled to be made in September 2018.</p>		

<p><u>Main Works Civils – Gateway 2</u> – the Scheme of Works was being finalised so all costs could be presented to government.</p> <p><u>Enterprise Capability</u> – this involved HS2 demonstrating it is fit for purpose to move to the next stage - construction.</p> <p><u>Phase 1</u> – in relation to this Phase Members were informed they would see many hoardings at Euston as HS2 had taken some possessions including a number that placed pressure on the schedule, for example, the movement of many more graves than planned.</p> <p>Turning to the parliamentary timetable, there had been decisive support at the second reading of the Phase 2 Bill. In relation to Phase 2B the team continued to develop the Hybrid Bill and was putting together the costs.</p> <p>The Secretary of State was currently in a process to appoint a successor to David Higgins as Chair of HS2 Limited when he stands down in July 2018.</p> <p>MT commended the impact the new DfT Director-General was having in projecting the message about the regenerative effect of HS2 being embedded in cities as well as successfully highlighting the Project’s macro socio-economic benefits.</p> <p>MT offer Members the opportunity to participate in a post Board meeting session about the latest developments including in relation to learners and it was agreed this should be explored further (ACT91)</p>		
<p><b>12. Risk and Opportunities</b></p> <p>MO reported that Risks and Opportunities had been discussed by the Audit Committee at its meeting held on 22<sup>nd</sup> January 2018 where the focus was on the risks that impacted upon the achievement of the College’s business aims. These included income targets and the impact of the Funding Band decision. AM made the point that the College must not lose track of other risks. CM noted the two mentioned had been decided at the Audit Committee but were part of a wider Risk Register. AS confirmed that from a governance perspective the whole Risk Register was reviewed at the Audit Committee. CM confirmed the Risk Register would be a core component of the forthcoming Strategy Discussion. CS pointed out that the Board had not seen the full Risk Register and so AS asked for it to be included in the pack for the next meeting (ACT92).</p> <p>MO said risk reporting was in the process of change as the College moved to Business as Usual mode. A discussion followed about the roles of the various Board Committees in relation to risk management in which it was confirmed the Audit Committee continued to have oversight of the whole and that individual</p>	<p>SBS</p>	<p>16.05.18</p>

<p>Committees would scrutinise the risks related to their areas of activity.</p>		
<p><b>13. Funding Band – Next Steps</b></p> <p>Members expressed the view that the issue of the Funding Band had already been well discussed. MO referred to the presentation slides in the Board pack which were included following a request from DfT that the College showed it what it was doing to fill the funding gap. Importantly, the slides also showed that the College would not be able to repay either of its capital loans within the initial 7-year period. Attention focussed on the fact the cashflow goes from positive to negative in September 2018 and the measures being taken to mitigate the impact including the re-negotiation of contracts, delayed/accelerated recruitment, the restructuring of the Business Development team to include more lead-in time with employers and the recruitment of a direct sales provider which had made 8,000 calls in the sector. Other strategic opportunities were also under examination to add to and diversify the College offer. It was confirmed all were being pursued using the College’s own resources.</p> <p>In response to a question from AM, MO gave a progress update about the European Social Fund bid. MO assured Members that all avenues were being explored but nevertheless the College would still require support from DfT in September 2018.</p> <p>MT asked about the relationship with Aston University. MO confirmed this was primarily about learners from the College having access to the Aston Students’ Union and accommodation.</p> <p>MO said it may be necessary for the Executive to come back to the Board to ask for further resources as the ideas developed.</p> <p>AD noted the momentum about High-Speed Rail in India and said there may be opportunities for the College particularly owing to the need for training to be delivered in the English language and which he said he would follow up <b>(ACT93)</b>.</p>	<p>AD</p>	<p>asap</p>
<p><b>14. Industry Advisory Board (“IAB”)</b></p> <p>PH referred to the discussion at the previous Corporation Board meeting about the establishment of the IAB and said amongst the reason and purpose for it was to create as many advocates as we can for the College. He drew attention to the IAB’s Terms of Reference including the challenge about its membership and said he was proposing changes to ensure it comprised a core group. The intention was for representation across the supply chain including Original Equipment Manufacturers together with consultants and contractors in the industry and who can be called upon on a regular basis and with the flexibility to expand the</p>		



<p><b>15. CONSENT AGENDA</b></p> <p>Items in this section had been the subject of prior scrutiny by a Board Committee. The following items were considered on that basis as follows:</p> <ul style="list-style-type: none"> <li>(i) Financial Regulations – the recommended amendments from the Audit and Finance &amp; Resources Committees were agreed.</li> <li>(ii) Terms of Reference for the Curriculum, Quality &amp; Standards Committee – the amendments recommended by the Committee were agreed.</li> <li>(iii) Terms of Reference for the Audit Committee – the amendments recommended by the Committee were agreed.</li> <li>(iv) Terms of Reference for the Finance &amp; Resources Committee - the amendments recommended by the Committee were agreed.</li> </ul>		
<p><b>16. Any other business</b></p> <ul style="list-style-type: none"> <li>(i) College Open Days – Two Open Days are to be held in March 2018, on the 21<sup>st</sup> in Birmingham and the 28<sup>th</sup> in Doncaster, to which Members had an open invitation. Both provide recruitment opportunities and a market place for companies to take stands.</li> <li>(ii) FE Commissioner’s visit – CM said the FEC would be returning to the College following his first visit in May 2017. The College was the first National College he visited and will be the last to which he will return. The visit, that will include a focus on curriculum planning, is to be scheduled in April 2018 and will result in a published report. CM confirmed it would be helpful for Members to be present.</li> <li>(iii) Members’ Link Scheme – Visits were progressing well with positive feedback received from Members and Staff. AT noted an issue around Bursaries had been resolved following a recent visit.</li> <li>(iv) MO requested the “loan“of a Data Analyst, preferably with Power BI experience, to assist with the procurement of the new Finance System. He asked Members to let him know if they could help <b>(ACT96)</b>.</li> </ul>	All	asap
<p><b>17. Date and time of next meeting</b></p> <p><b>Wednesday 16<sup>th</sup> May 2018</b> from 10.00 – 13.00 at NCHSR, <b>Birmingham</b> (venue subject to confirmation) <b>(ACT97)</b>, to be followed by a buffet lunch and a Strategic Discussion to 16.00.</p>	SBS	asap

**18. Calendar of Events (Paper 12)**

The Calendar was received.

The meeting ended at 12.57.

Signed .....

Date .....