



MEETING MINUTES

MEETING Corporation Board

DATE: Wednesday 16th May 2018 TIME: 10.00-13.38

CHAired BY: Alison Munro

VENUE: NCHSR, 2, Lister Street, Birmingham B7 4AG

MINUTE/ACTION TAKER: Sally Brook Shanahan, Clerk to the Corporation & Legal Officer

ATTENDEES

1. Alison Munro (AM)	2. Naomi Connell (NC)	3. Carl Garrud (CG)
4. Josh Fellingham-Boyce (JFB)	5. Philip Hoare (PH)	6. Clair Mowbray (CM)
7. Suzanne Roberts (SR)	8. Alex Stephenson (AS)	9. Colin Stewart (CS)
10. Mark Thurston (MT)	11. Alex Tranter (AT)	
APOLOGIES: Jon Binner (JB), Jo Miller (JM) and Nick Kataria (NK).		
IN ATTENDANCE: Neil Brayshaw (NB), Sally Brook Shanahan (SBS) and Martin Owen (MO).		

TOPIC	WHO	WHEN
1. Declarations of Interest None beyond those already recorded in the Register of Interests.		
2. Minutes of the meeting held on 14th February 2018 The minutes of the meeting of the Corporation Board held on 14 th February 2018 were agreed and signed by the Chair as a true record.		

3. Actions Log from the meeting held on 14th February 2018

- (i) ACT83 – Chief Executive’s Report and “call to action” asking Members for apprenticeship vacancies – NC reported she had arranged to meet MO to discuss apprenticeships. PH briefed Members about the discussions that had taken place at the Industry Advisory Board’s meeting which had energised the Industry on this subject including informing the attendees about the disparity between potential new learners versus vacancies in the industry. A further opportunity to make the industry aware of the need for more apprenticeship vacancies would arise when the RIA Board meets at the College.
- (ii) ACT84 – Chief Executive’s Report – MT confirmed he will send the actual wording that confirmed the commitment Tier 2 suppliers have to employ apprentices.
- (iii) ACT87 – Finance Report – MO confirmed the Action to supply the breakeven point for apprenticeships would be covered as part of the Strategic Discussion.
- (iv) ACT89 – Finance Report – CM confirmed she continued to work with the Department for Transport (“DfT”) to try to influence the number of apprentices that the supply chain should be mandated to achieve, including conversations about getting the College on the agenda for other rail related projects. CM confirmed her conversations extended to include the Rail Sector deal.
- (v) ACT91 – HS2 and Supply Chain commitments – MT’s offer for Members to have the opportunity to participate in a session about latest developments at HS2, including in relation to learners, had been noted and would be worked into the programme that was currently being planned by AM, CM and SBS for the next Board Away Day on 9/10 October 2018.
- (vi) ACT92 – Risks and Opportunities – MO explained the Risk Register was currently in transition to an improved style of reporting with key risks incorporated within the new Key Performance Indicators (“KPIs”) and that as part of this process the Finance Manager had been out in the business meeting with managers to ensure it was up to date and relevant. In reply to a comment from CS who said he felt uncomfortable that the full Risk Register was not before the meeting, AM pointed out that this was only the start of the process and Risk would be picked up again at the Away Day when a full discussion to determine whether the right risks were being captured and if they were being dealt with appropriately would take place. Meanwhile, NC confirmed “Risks and Opportunities” was a standing item on the Audit

<p>Committee’s agenda with the full Risk Register available to members.</p> <p>(vii) <u>ACT93 – Funding Band – Next steps</u> – CM confirmed she was following up Alistair Dormer’s offer regarding potential opportunities in India where the College already had strong links. The Action was closed on that basis.</p> <p>(viii) <u>ACT94 – Industry Advisory Board</u> – PH said to date he had received very few suggestions from Members about potential contributors to the IAB. The formal Action was closed but Members encouraged to submit further ideas to PH.</p> <p>(ix) <u>ACT95 - Industry Advisory Board</u> – PH reported that discussions had concluded the IAB would be reconstituted with a Chair and up to ten members from different categories of stakeholders across the sector including one from a SME and Network Rail. The IAB will publicise which topics are to be considered by it using conventional means and social media with other potential interested individuals/organisations being invited to attend as contributors according to the subject matter. The first topic to be considered at a “themed” meeting was about promoting awareness of the College. Further themes for future meetings are under discussion including the Digital Railway. Members were encouraged to submit their ideas to enable the development of a rolling agenda. The Action was closed.</p>		
<p>4. To approve the appointment of Mark Bonham and Garry Phillips as co-opted Members of the Curriculum, Quality & Standards Committee for an initial term of two years</p> <p>On the recommendation of the Search & Governance Committee, the Board agreed the appointments of Mark Bonham and Garry Phillips as co-opted Members of the Curriculum, Quality & Standards Committee each for an initial term of two years.</p> <p>Members noted the resignation of Alistair Dormer from membership of the Corporation Board and acknowledged his contribution. It was further noted that Shilpi Akbar who had been a regular attendee at Corporation Board Meetings would no longer be in attendance owing to her change of employment but she would continue to work with the College in her new role.</p>		
<p>5. Value Moment</p> <p>AS said he had reflected on the “Pioneering” Value in relation to which his first thoughts related to individuals including Shackleton, Scott, Branson and Musk. In his world AS felt the concept of</p>		

<p>“Pioneering” was more akin to “Innovation” and how the creation of a culture in which breaking away was acceptable yet under control. In his personal experience of the car industry there had been many suggestion schemes and, in addition, space outside the controlled area to allow for experimentation. Nowadays he said he felt the impact of legal challenge curtailed innovation.</p> <p>AS highlighted the need to retain balance in the organisation and noted the impact of different management styles that enabled talent to flourish. Members endorsed the need to get learners thinking and to try out their ideas as part of their assignments. PH pointed out that whilst the UK could be proud of the high standard of safety on its railways this should not hinder the pioneering spirit. It must be recognised there are guard rails you cannot go outside but otherwise innovate within them. NC highlighted the need to encourage entrepreneurship amongst the learners and for their ideas to work in a business context. AS suggested there was often a financial pioneering leap which is where risk came into play.</p> <p>Members discussed how these ideas could be formalised for example by using the Nureva Span as a collaborative working space.</p> <p>AM thanked AS for his contribution.</p>		
<p>6. Strategy Discussion</p> <p>AM introduced the paper and explained its purpose was to provide the Corporation Board with background on the College targets to inform the discussion on its future. A copy of the final draft of the new Business Plan in which plans for the next 18-month period were set out had been included in the meeting pack in order to facilitate a discussion including the following themed questions:</p> <ol style="list-style-type: none"> 1. What does the future of the College look like? 2. How can the College measure its success? 3. How can Members work as an effective Board? <p>By way of background CM explained the initial Business Plan had focused on the capital bid, whereas the College was now operational. The Plan had been based on £29K per apprenticeship but the Funding Band awarded was just £21K. She outlined the working capital loan which was supporting the College on the revenue side together with a loan from HS2 which was scheduled for repayment first. CM confirmed the DfE was looking at future financial support for the College and had recently suggested the College may want to broaden its scope having concluded the College is underselling itself by restricting its remit to High Speed Rail.</p> <p>CM ran through the planned and actual learner numbers for July 2017 at 226 and 89 respectively and the target of 639 Learners</p>		

for September 2018. She reported on the ESFA Provider Assurance Team visit who noted they had never seen such growth but were reminded the College is very different from a GFE College.

Members noted the 89 learners in 2017/18 had been recruited on a very limited offer comprising the one Level 4 Cert HE full-time course, the Level 5 Leadership & Management programme and the Level 4 Apprenticeship with only two of the ultimate seven Pathways running. From September 2018 the College would be widening its offer with a variety of options for attracting learners. There were also 12 learners who were progressing from the Level 4 Cert HE course to the Level 5 Foundation Degree. Plans for a Level 3 Access to Engineering course had been put on hold whilst issues were resolved with the ESFA.

Currently 667 applications had been received for a September 2018 start. Vacancies were being managed with 8 currently active.

NC pointed out by way of Corporate Memory, that during the period from the original Business Plan to the current time the College had lost almost one year's progress due to delayed funding before HS2 stepped in. CM said this had affected the marketing effort and so to have achieved 89 learners in the very short time available was an achievement as normally colleges would market courses a full year ahead.

MO distributed two slides about "Break Even" and took Members through the various factors that had an impact upon it. These included net income per learner, Non-Pay Costs of £2.8m and Pay Costs of £3m, which at 52% were well below the Sector benchmark of 63%. Members noted that break even was 720 learners against the target of 639 learners for 2018/19.

AS asked about the assumptions upon which the calculation had been made. MO said it assumed all learners would start at the same time and a 50/50 split between full-time learners and apprentices although in reality this would not be the case. He confirmed the figures were also based on a Funding Band of £21K. NC observed the impact of the lower Funding Band which equated to 80 more learners being required to fund the difference. MO confirmed the DfE was aware of the funding gap. Meanwhile, he told Members the College was developing its ideas to fill the gap.

CM described how the mix of the curriculum was very important with, for example, 26 learners on Rail Engineering attracting a £27K Funding Band.

PH enquired about what commitments the College had from DfE to fill the gap. In reply CM said the DfE would support the College but it also was focused on the other opportunities it could pursue. She emphasised the need for the College to help itself and being

<p>seen to do so was a prerequisite for DfE financial assistance. It was noted there was one more opportunity to apply for funding in September 2018 which could cover more than one year.</p> <p>With the benefit of this background information AM asked Members to break out into two groups to discuss the themed questions.</p> <p>Following their deliberations, the membership resumed in plenary session and feedback was given that is recorded in the separate Annex to these minutes which is intended for future publication.</p> <p>AM noted the long term development work that would need to take place on the curriculum offer. She affirmed the collective need for all Members to understand where the College would be in September in relation to Learner numbers and said both were subjects that would be returned to at the next meeting. CM offered to recirculate the work that had been done about the College’s market as context prior to the next meeting (ACT96).</p> <p>AS said he was keen to ensure the Learner recruitment for 2018/19 was achievable. He continued saying the future looked exciting but he needed to be assured the management team had the capacity to deliver the budgeted numbers. NC suggested some additional pipeline analysis would helpful to determine the different levels of probability on recruitment outcomes.</p>	<p>CM</p>	<p>asap</p>
<p>7. Finance Report including Risk Register</p> <p>MO introduced the Report and confirmed the papers had been discussed previously by the Finance & Resources Committee at its meeting on 2nd May 2018.</p> <p>Attention focussed on income including learner numbers and the impact of delays and what actions the College could take. In relation to the pipeline NC suggested the inclusion of more forward looking items would be helpful. MO concurred and confirmed information about the pipeline that feeds the learner numbers would be included in future Reports.</p> <p>Members noted the potential for strategic opportunities to be progressed that could deliver income of up to £18m which had been examined in detail by the Finance & Resources Committee.</p> <p>PH said he was encouraged by the projected top line growth but asked about what would be done about the cost base in the event the growth could not be delivered and whether the FE Commissioner (“FEC”) would challenge the College. CM confirmed the FEC would be interested in the College’s position and had already examined some of its contracts during the recent visit. She emphasised the College was still a start up with a need to continue to invest which was a challenge the FEC recognised. Savings via</p>		

<p>staff restructuring would be an anticipated cost-saving target but they would prove to be a challenge at the College where most staff were already doing far more than their job.</p>		
<p>8. Key Performance Indicators</p> <p>MO thanked MT for seconding a Data Analyst to contribute to the construction of the KPI Report. He highlighted how live data from the HR system had been included in the Report and the plans to make the data more forward looking.</p> <p>The Risk dashboard was also shared with Members and confirmation given that once its content had been updated it would be made available to all Members.</p> <p>Attention turned to the learner pipeline in respect of which MO explained the work being carried out. He said there was a need to balance the messaging around recruitment, for example where a full-time learner moved into an apprenticeship.</p> <p>The continuing work to generate a B2B pipeline was noted including the high level of work currently required to generate an appointment but which MO said he expected would reduce as the College established more contacts within companies. Despite all this effort numbers coming through were currently small but reported positively about the significant opportunities coming down the pipeline.</p> <p>MO said the data was being refined with the aim that it would be made available to Members interactively in real time via Power BI. The need to focus the marketing effort and bring together the processes for the recruitment of apprentices and full-time learners had been identified. The benefits that would accrue to the College if it was to become an accredited HE provider were also canvassed.</p> <p>The forthcoming availability of an actual versus budget dashboard was welcomed. Members concurred with the view expressed that the College needed to invest in these reports.</p> <p>A discussion followed about the interactive way in which the College was taking its Level 4 and above programmes to market and how this differed from the marketing of standard Level 3 and below programmes.</p> <p>CS relayed the subject of a discussion at the Curriculum, Quality & Standards Committee in which it had been suggested that its KPIs could be covered in ten points. MO confirmed each sub-committee would have a suite of KPIs and would be able to work through the process to determine what should be included.</p>		

<p>NC said this sounded excellent for the future but there was an immediate need for certain data to be available. CM agreed and said that was why the detailed learner data had been handed out. AM requested that this data should be made available to every Board meeting in advance. MO confirmed that some KPIs would be available at the next Board meeting (ACT97).</p> <p>NC noted the need to be able to look financially forwards as well as backwards and expressed satisfaction with the developments that MO had shared with her. A discussion followed about the impact of tight resources on the development of these new systems in response to which it was pointed out the data must be available to run the business. CM said the College systems contained the information that enabled it to manage day to day although it was not collated in one place. AM said she recognised reporting would not be perfect and that it will build over time. MT offered further assistance to put the reports together.</p>	MO	25.7.18
<p>9. HS2 update and supply chain commitments</p> <p>MT updated Members on the progress with Phase 1. It was noted Phase 2A was currently in the Select Committee and the hybrid Bill was being developed for Phase 2B.</p> <p>Recruitment for the new HS2 Chair was underway with an appointment expected to be announced in June and the successful candidate in post by September 2018.</p>		
<p>10. Chief Executive Officer's Report</p> <p>Exceptionally, the CEO's Report had been included in the Consent Agenda to free up time for the Strategy Discussion. In the short discussion Members made offers of assistance and suggested contacts in relation to the overseas business opportunities outlined in the Report.</p>		
<p>11. Freedom of Information Act 2000 – Recent Request and Reply</p> <p>The request and the reply sent were noted. Some concern was expressed at the depth of the reply although it was pointed out by SBS that it did not exceed the parameters of the request.</p>		
<p>12. Overseas Business Trip – Business Case</p> <p>At its meeting on 2nd May 2018 JM reported the Finance & Resources Committee had challenged the Executive around the cost and risk of the proposed overseas visit. CM noted the visit would be scheduled during the quieter months when there were fewer learners in College. NC observed international work did not feature in the Strategy discussion and said she was more</p>		

<p>concerned about whether the senior leadership team had the time to undertake it. CM pointed out the approaches that precipitated the proposal came to the College and presented potential for exciting opportunities to broaden its income, some of which MO noted needed to be taken now in order not to miss them.</p> <p>In response to a question, CM said the Executive had considered whether the College should exhibit at the Innotrans Expo but had decided against that now as the skills part was the least visited but noted there would be an opportunity to reconsider in two years' time.</p> <p>AM said she sensed Members were questioning whether at the present time an overseas visit was a good use of the Executive's time. CM replied noting that the top of the list of strategic opportunities was an ESF bid, which if successful would bring significant funding whereas the international opportunities are longer range and need to be assessed for their suitability. AT said the visit supported the College's "Pioneering" Value and was not something a general FE College would make. CM confirmed the list of strategic opportunities will be included in the next Business Plan and said she could see there was a business case for the visit subject to the opportunity cost of staff going on the trip. A short discussion followed which AM summarised as giving Board authority for the visit to be "a toe in the water" provided it did not risk the other business of the College.</p>		
<p>13. Instrument & Articles of Government</p> <p>The Board approved the amended version of the Instrument & Articles of Government to reflect changes in Charity Law on the recommendation of the Search & Governance Committee following its meeting held on 23rd April 2018.</p>		
<p>14. Standing Orders</p> <p>The Board agreed the amendments to the Standing Orders as recommended by the Search & Governance Committee at its meeting on 23rd April 2018. These comprised the introduction of a new paragraph in Standing Order 16 to provide for an informal performance of Members 6-9 months following their appointment. This will be instead of a full formal performance review and will include the identification of development needs.</p> <p>It was confirmed the Chair of the Search & Governance Committee would continue to hold One to One meeting with Members on an annual basis to provide an opportunity for constructive feedback.</p>		

<p>15. Board Recruitment and Selection Policy</p> <p>At its meeting on 23rd April 2018 the Search & Governance Committee reviewed the Policy that had been updated to include reference to the Board’s commitment to Equal Opportunities and Diversity. On the recommendation of the Committee the Board approved the Policy.</p>		
<p>16. Financial Regulations</p> <p>Following a request from the Audit Committee the Financial Regulations had been amended to include an express prohibition on cash transactions as an effective control around anti-bribery.</p> <p>The revised Financial Regulations incorporating this prohibition that had been subject to final scrutiny by the Audit and Finance & Resources Committee Committees at their respective meetings on 23rd April 2018 and 2nd May 2018 were approved by the Board.</p>		
<p>17. Data Protection Policy Statement</p> <p>It was noted that the Audit and the Search & Governance Committees had been kept up to date with the College’s preparations for the coming into force of the General Data Protection Regulation on 25th May 2018. The College’s GDPR Working Group was the forum in which the workstreams had been planned, overseen and completed and on the recommended of that Group the Board approved the Policy Statement.</p>		
<p>18. Any other business</p> <p>(i) Senior Post Holder Remuneration – AS confirmed he would circulate a note to Remuneration Committee members with a recommendation (ACT 98).</p> <p>(ii) Business Plan – CM said the final draft would be circulated to all Members for comment. From a governance perspective it was noted the Plan would be presented to the Board for approval at its next meeting in July 2018. NC asked for an invitation to be extended to all Board Members to attend the Finance & Resources Committee meeting on 11th July 2018 at which the Plan would be scrutinised (ACT 99).</p> <p>(iii) Next “Value Moment”- PH volunteered to lead the item at the next Board meeting and chose “Collaboration” as his theme (ACT 100).</p> <p>(iv) Committee reports – It was agreed that Committee Chairs will prepare one-page summaries as the basis for their Committee Reports at future Board meetings in order to highlight important items that all Members need</p>	<p>AS</p> <p>SBS</p> <p>PH</p>	<p>asap</p> <p>asap</p> <p>25.7.18</p>

<p>to know, including by way of example, any “Red” ratings in Internal Audit Reports (ACT 101). AM noted the need for there to be time for discussion whilst CG cautioned against duplicating the work of the Committees. A reporting template will be developed and circulated (ACT 102).</p> <p>(v) Reconfiguration of Board meetings – Members expressed views about how meetings could be restructured to ensure they were more strategic. AM, CM and SBS will discuss how Board time can be used most effectively with a view to this subject being reviewed fully at the forthcoming Board Away Day (ACT103).</p>	<p>C'tte Chairs</p> <p>SBS</p> <p>AM/CM /SBS</p>	<p>25.7.18</p> <p>asap</p> <p>asap</p>
<p>19. Date and time of next meeting</p> <p>Wednesday 25th July 2018 from 10.00 – 13.00 at the Doncaster Campus followed by Training from 13.30 – 16.00</p>		
<p>20. Calendar of Events</p> <p>The Calendar of Events was noted.</p>		

The meeting ended at 13.38

Signed

Date