

Draft minutes prepared from contemporaneous notes approved by the Chair 22nd January 2019

Approved by the Corporation:
Signed by the Chair Date

MINUTES OF THE MEETING OF THE CORPORATION
HELD: Thursday 18 October 2018 at 1600hrs in the Board Room, Old Building

Present:

Cath Orange (Chair) Governor
Geoff Alvy Governor
Paul Ashton Governor
Ralph Berry Governor
Paul Birtles Governor
June Durrant Governor
Eve Gregory Governor
Robert Holden Governor (Staff)
Sajjad Khan Governor
Chris Malish Governor (Executive)
Dave Mann Governor
Matt Peel Governor (Student)
Debbie Rolls Governor (Staff)
Piers Telemacque Governor (Staff)
Neil Ward Governor

In Attendance:

David Akeroyd Asst Principal Vocational & Technical
Alan Bradley Health & Safety Manager
Joanna Green Clerk to the Corporation
Nick Koral Safeguarding Manager (to XX:XX)
Anita Lall Asst Principal Academic & 6th Form
Dawn Leak Director of Employer Responsiveness
Jacqueline Olson Asst Principal Quality & Standards
David Reeve Director of Finance
Naomi Sharples Dean
Craig Tupling Deputy Chief Executive Officer
Fiona Whitworth Data Protection Officer

The quorum was six Governors

L/J Denotes the time a Governor left/joined the meeting. Where the individual is not named in the minutes, a record is held separately and is available on request.

Item		Action
Housekeeping		
1	Chair's Welcome and Introductions; Update on Chair's Actions	
1.1	The meeting being quorate, the Chair declared it open, reminding Governors that the key objective was to review a refreshed Strategic Risk Register ("Register") produced by interim Chief Executive Officer Chris Malish ("CEO") and Risk Management Officer Liz Knowles ("RMO"). Attention was drawn to the <i>Chair's Guidance Note</i> , to which had been annexed an extract from the College's <i>Risk Management Policy</i> , detailing the Impact Scoring Criteria and Risk Likelihood Criteria the College currently uses.	
1.2	The Chair welcomed Geoff Alvy, Paul Birtles and Neil Ward to their first meeting as new Governors. She said their appointments bring the membership of the Corporation to 18 and boost the financial and commercial acumen of the Board, satisfying recommendation 4 of the Further Education Commissioner ("FEC"). The Clerk reported that another candidate previously discussed had decided not to accept a Corporation seat after all.	
1.3	The Chair welcomed new Deputy Chief Executive Officer Craig Tupling ("DCEO") to the meeting; also all managers and officers attending to contribute to the risk discussion.	
1.4	There were no Chair's Actions to report.	
2	Apologies for Absence and Disclosures of Interest	
2.1		

2.2	<p>Apologies: Independent Governor Steve Roberts and Student Governor Salsabil Elmegri.</p> <p>Specific or additional disclosures: None.</p>	
<p>3</p> <p>3.1</p> <p>3.2</p> <p>3.3</p> <p>3.4</p> <p>3.5</p> <p>3.6</p> <p>3.7</p> <p>3.8</p> <p>3.9</p>	<p>Minutes of Previous Meetings and Matters Arising</p> <p>The minutes of 24 May 2018 and 19 July 2018 were approved and the Chair was authorised to sign them.</p> <p>The Matters Arising report was tabled with the Chair’s permission. The information in the “Action Taken” column was noted and Governors discussed the following items:</p> <p><u>Risk Management Session (Item 1)</u> Governors were reminded of a June 2018 FEC stocktake visit recommendation: “to ensure that the key areas of risk, sensitivity analysis and contingency planning are developed in respect of the Restructuring Facility (“RF”) application and are clearly articulated and properly understood by the Board and management”. Also that the 22 February 2018 <i>Financial Control Notice to Improve</i> had reiterated that enforcing an effective framework of risk management, governance and internal control is a condition of funding - and mandated that the College review its risk management strategy and risk register, updating the register with key financial control risks. The Chair said all key risks must be identified and prioritised, together with mitigating actions, hence risk management will be the underlying theme of this meeting.</p> <p><u>Discussion about the risk management policy and risk training (Item 2)</u> The external expert the Clerk had hoped to engage to deliver risk training is not available, so alternative arrangements will need to be looked at in due course.</p> <p><u>Policy Renewals and Review Dates (Item 3)</u> As RMO has now returned to work, Governors can expect the project to get back on track. Governors welcomed this news and asked that their best wishes be conveyed to RMO.</p> <p><u>Statement of Corporate Governance and Internal Control and sign-off of the Financial Statements (Item 6)</u> As the Corporation is still not in a position to sign-off of the 2016-17 Financial Statements, this action point will roll-over again.</p> <p><u>Office for Students registration (Item 7)</u> The application for registration with the Office for Students (“OfS”) is continuing.</p> <p><u>Provost to supply narrative accounts of individual HE students’ journeys to give assurance to the Corporation around value added (Item 8)</u> Action: DCEO will review Matters Arising Item 8 and discuss with the Chair of Corporation.</p> <p><u>Terms and conditions which may attach to any RF funding</u> Cath Orange (“CO”) the Chair of Finance & General Purposes Committee (“F&GP”), said interim Finance Director David Reeve (“FD”) had provided examples of the sort of terms and conditions the Education and Skills Funding Agency (“ESFA”) may seek to attach to any RF funding. She said F&GP recommends that Governors consider delegating to a committee the authority to agree the specific terms and conditions on which the Corporation will secure its obligations in respect of any RF funding. Such a committee may need to have authority to exercise the Corporation’s power (pursuant to section 19(4)(c) of the Further and Higher Education Act 1992) to grant a mortgage, charge or other security in respect of any land or other property of the Corporation, hence the Corporation will need to set clear parameters for the exercise of any delegated authority.</p>	<p></p> <p></p> <p></p> <p></p> <p></p> <p></p> <p>DCEO</p> <p></p> <p>Clerk</p>

3.10	<p>Action: The Clerk will prepare a set of skeleton minutes in anticipation of the RF application sign-off of the facility agreement and related documents, including draft resolutions regarding the delegation of decision-making, for the Corporation to consider.</p> <p><u>Safety concerns discussed at Quality & Standards Committee on 28 June (Item 16)</u> At the 19 July Corporation meeting, the Quality & Standards Committee (“Q&S”) had reported concerns that were raised with it about the impact of anti-social behaviour and crime on students and staff. CEO said, since that meeting, the College continues to work with the Police, Local Authority and other agencies to tackle the issues but, as the Safeguarding Link Governor will pick up at Agenda Item 5, the problems are continuing.</p>	
Student Voice		
4	<p>Student Governors’ Report</p> <p>4.1 Student Governor Matt Peel (“MP”) reported, thanking fellow Student Governor Salsabil Elmegri for her contributions to the report.</p> <p>4.2 Governors were pleased to learn that the removal of Higher Education (“HE”) provision into the Lister Building has been well received by students. MP passed on that social space within the building would also be appreciated and CEO said this was noted.</p> <p>4.3 MP referred to the policy of charging a replacement fee for lost ID cards and lanyards, saying the Corporation may wish to seek assurance that the cost to students is not so great that those who cannot afford to buy replacements simply do not attend classes. Governors agreed that the policy must not result in poor attendance and CEO was asked to consider this risk.</p> <p>Action: CEO will investigate and report to the Corporation on whether the policy of charging for lost lanyards and ID cards and/or the level of charges has any impact on student attendance and attainment.</p> <p>4.4 MP said he feels that a more positive relationship is emerging between the outsourced security team and the student body, which should contribute to a safer campus.</p>	CEO
Safeguarding		
5.1	<p>Safeguarding Policy Approval and Annual Report</p> <p>5.1.1 Safeguarding Manager Nick Koral (“SM”) presented the revised Safeguarding Policy (“Policy”), explaining that it is intended to replace the current version, reflecting recent changes to legislation and guidance. Governors were reminded of their statutory duty to ensure that there are appropriate policies and procedures in place within College in order for appropriate action to be taken in a timely manner to safeguard and promote children’s welfare.</p> <p>5.1.2 Governors confirmed that they had reviewed the Policy and one Governor suggested that the wording of the first paragraph at the top of page 2 might be improved by the deletion of the word “expects” and the substitution of the word “requires” - to emphasise the firm commitment of the Corporation to enforcing its safeguarding policy. This was agreed.</p> <p>Action: SM will amend the Safeguarding Policy by deleting the word “expects” and substituting the word “requires” at the top of page 2.</p> <p>5.1.3 RESOLVED:</p> <p>(1) To approve and adopt the proposed Safeguarding Policy with immediate effect, subject to an agreed change of wording in the first paragraph of page 2: the deletion of the word “expects” and the substitution of the word “requires”.</p> <p>5.1.4</p>	NKoral

	<p>SM said the annual safeguarding report remains in draft. The previous Designated Safeguarding Officer (Craig Tupling has now taken on this role) was unable to complete his review and sign off the report in time for this meeting, hence it will need to be deferred to a later date. This was agreed.</p> <p>Action: The Annual Safeguarding Report is deferred to a future meeting, with the instruction that it must be expedited.</p>	DSO
5.2	Safeguarding Link Governor Report	
5.2.1	<p>Governors were pleased to hear from Safeguarding Link Governor Ralph Berry (“RB”) that a new on-campus Police Further Education Liaison Officer (“Officer”) is in post and building on the success of his predecessor. RB said he understands that students are responding well to the Officer and he is having a positive impact, including in terms of the anti-social behaviour and crime reported to Q&S. RB said the partnership work the College is doing with the Police and the Local Authority has had some effect but there are some omnipresent risks which cannot be fully mitigated.</p>	
5.2.2	<p>The Data Protection Officer, Fiona Whitworth (“DPO”), highlighted that, to the best of her knowledge, the College has not yet put in place an adequate data sharing agreement with the Police. She said this is a risk, as the Officer has access to personal data. CEO was asked to address this concern and said he would speak with the Head of Contracts Management, who is responsible for obtaining the signed agreement.</p> <p>Action: The Head of Contracts Management shall be instructed to obtain a signed Police Data Sharing Agreement in respect of the Further Education Liaison Officer on site in College (to include updated Data Protection/GDPR Section and responsibilities).</p>	CEO, HCM
5.2.3	<p>RB flagged the need for the College, being mixed economy and having a duty of care to learners from the age of 14 upwards, to better understand its responsibilities to its youngest members and the difference between safeguarding adults and children.</p>	
5.2.4	<p>RB confirmed that he had no specific safeguarding incidents or concerns to bring to Governors’ attention.</p>	
6	Group Discussions about Safeguarding and Welfare Risks	
6.1	<p>Governors split into three groups to discuss the risks that the Clerk had grouped under the heading ‘Safeguarding and Welfare Risks’. Each group spent ten minutes discussing a risk, following which the meeting reconvened to share and comment on the findings.</p> <p><u>Safeguarding #SR18 (Group B)</u></p>	
6.2	<p>Group B queried whether the wording of risk #SR18, i.e. “Risk of Safeguarding Issues occurring”, might place too much emphasis on the effectiveness of preventative measures, rather than looking at the effectiveness of the safeguarding framework in its entirety. Governors agreed that they favoured some rewording of the risk and noted that this might affect its likelihood and impact scores as the residual risk of, for example, ‘failing to ensure that the College has robust safeguarding arrangements in place’ will be low, thanks to SM’s efforts, whereas the risk of ‘safeguarding issues occurring’ will inevitably be high, there being so many factors outside the College’s control.</p>	
6.3	<p>In the group feedback session there was discussion about the Corporation’s risk appetite vis a vis its safeguarding arrangements. Governors agreed that the maximum risk impact score (i.e. 5) should attach to the risk due to the ‘catastrophic’ consequences that may ensue should the College safeguarding framework fail. DCEO, who recently assumed the role of Designated Safeguarding Officer, said safeguarding is a very high risk area and it is critical to get it right across the board.</p>	
6.4	<p>A Governor queried whether, if only ‘primary’ risks are included in the Executive’s monthly discussions and are reported to the Audit Committee, the Corporation’s</p>	

<p>6.5</p> <p>6.6</p> <p>6.7</p> <p>6.8</p> <p>6.9</p> <p>6.10</p>	<p>expressed risk tolerance might possibly be reached or exceeded without it triggering any reporting. The Governor pointed out that a 50% chance of multiple fatalities² within the next five years due to weaknesses in the safeguarding framework would be a serious matter. Under current arrangements, the Governor said, for as long as the risk has a 'likelihood' score which falls within the 'as likely as not' bracket¹ (or any bracket below it) it will not trigger a report to the Audit Committee as the likelihood and impact scores will not add up to a 'primary' risk score.</p> <p>Governors agreed that the Corporation's risk tolerance for safeguarding framework failures is 'Averse', and hence the risk status is reported at each Corporation meeting, making Governors aware of any potential failures in the safeguarding framework and enabling them to take such action as they deem necessary. It was noted that, in practice, the Audit Committee has been receiving reports on both 'primary' and high-scoring 'contingency' risks.</p> <p><u>Failure to Prepare for and Respond to Critical Incidents #SR14 (Group A)</u></p> <p>Governors in Group A had discussed with Group Occupational Health and Safety Manager Alan Bradley ("GOHSM") the College's level of preparedness for various types of crisis, as well as the adequacy of its resource and its readiness to respond, act promptly and act properly after a critical incident to minimise negative impacts.</p> <p>The 'linked risks' listed on the <i>risk scoring sheet</i> Governors had received in their packs illustrated the breadth and scope of the risk area. It was suggested that, at the next stage of the Risk Register review, management might articulate what is meant by 'Critical Incidents'.</p> <p>Governors were pleased to gain assurance from GOHSM that relevant systems and up-to-date incident/disaster recovery policies are in place with clear lines of reporting, action and communication. GOHSM said a Disaster Recovery Team has responsibility for crisis preparedness and prevention as well as response and recovery. All Governors were in agreement that this risk is very significant indeed and, given the potential risk to life and of significant injury, as well as of damage to the estate, and the prospect of severe reputational harm, both the inherent and residual impact score should be 5².</p> <p>With the mitigations in place that HSM had described, the residual likelihood score was assessed³ as being 'as likely as not', i.e. a likelihood score of 3 and an overall (the combined impact and likelihood) score of 15. It was agreed that the risk will be monitored on an ongoing basis by the Finance & General Purposes Committee.</p> <p><u>Non-Compliance with Statutory Requirements #SR12 (Group C)</u></p> <p>Governors considered whether this risk might have been expressed too narrowly as, in addition to statutory requirements, such as Health and Safety and Data Protection compliance, the Corporation is also subject to the common law. There was agreement that a failure in this area could be very serious, hence both the inherent and residual impact score should be '5'. The inherent likelihood was adjudged to be 'likely' (i.e. score '4'), meaning "likely to occur in next 1-2 years or frequency of 1-2 years; probability 75%".</p> <p>Governors were undecided as to what the residual likelihood might be, noting that the Audit Committee has been told to expect an unfavourable overall Internal Audit Opinion</p>	
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¹ per the College policy meaning 'likely to occur in the next 2-5 years'/'probability 50%'

² per the College policy meaning 'Financial: Loss of more than £1m; Student Outcomes: Effective service delivery is severely interrupted OR >20% drop in success rates; Safety: Multiple fatalities; Reputation: Reputation damage is irrecoverable i.e. Regulatory body intervention.'

³ The purpose of scoring the risks during the session was to compare Governors' assessments with management's more detailed ones, prompting further discussion where necessary; NOT to direct what the scores should be.

6.11	this year, whereas the PricewaterhouseCooper regularity audit uncovered no concerns regarding the College's policies and processes to ensure compliance with the ESFA Financial Memorandum and Accounts Direction; or the proper use of funds. More detailed assurance information will complete the picture, so that Governors can better appreciate where there are weaknesses.	
Teaching and Learning		
7	Quality & Standards Committee Report (4 October 2018)	
7.1	The Chair of Q&S, June Durrant ("JD"), presented the draft minutes of the meeting, held on 25 January, highlighting key items.	
7.2	Proposed amendments to the Q&S Terms of Reference were recommended, along with a draft annual work schedule. It was noted that their approval will complete an internal audit action arising from the audit of Governance, and implement the Further Education Commissioner's recommendation 3 (from the November 2017 Summary Report).	
7.3	<p><u>RESOLVED:</u></p> <p>(i) To approve and adopt the Terms of Reference and Schedule of Work with immediate effect.</p>	
7.4	Governors were very concerned by the Further Education ("FE") achievement rates, which had not improved in line with management's predictions. JD said one major area of underperformance: Functional Skills English and maths, had impacted the overall outturn. The subjects make up 40% of all 16-18 outcomes. The forecasts were missed by a significant margin and Q&S are disappointed and concerned by management's seeming inability to accurately forecast in these areas. JD said she cannot stress strongly enough that such errors in forecasting cannot happen again. This was agreed.	
7.5	Despite improvements in certain areas, the College's overall performance in the HE National Student Survey had declined since last year, with overall satisfaction falling by 3.26%. JD highlighted that an effective campaign to promote the survey can boost the return rate and thereby ensure that the responses more accurately reflect the provision. JD said Q&S discussed the National Student Survey report (a link to which has been placed on the online Governors' portal). At its next meeting, it will look to see how the feedback has translated into action points in the HE Quality Improvement Plan.	
7.6	<p>Governors recalled that CEO is required to sign a statement on Governors' behalf as part of the annual OfS Accountability Return, providing assurances from the Corporation about the quality of the HE provision and confirming that:</p> <ul style="list-style-type: none"> • Governors have received and discussed a report and accompanying action plan relating to the continuous improvement of the HE academic experience and student outcomes, including evidence from the College's periodic review processes, fully involving students, and including embedded external peer or professional review; • the methodologies used as a basis to improve the HE academic experience and student outcomes are, to the best of Governors' knowledge, robust and appropriate; • the standards of awards for which the College is responsible have been appropriately maintained. 	
7.7	It was noted that, in fulfilment of the OfS requirements, the Corporation has throughout the year monitored the activities of the HE Academic Quality and Standards Committee and the Academic Board, as well as receiving management reports concerning the HE provision. JD said a report on HE quality improvement, together with the HE Quality	

7.8	<p>Improvement Plan will be presented and discussed at the next Q&S meeting, following which, subject to any concerns, CEO will sign the assurance statement. This was noted.</p>	
7.9	<p>At the 4 October meeting, Q&S had discussed FE quality improvement, receiving a progress report focusing on the Ofsted Key Areas for Improvement (“KAIs”). The report had since been circulated to all Governors, who were pleased to note some improvements in terms of attendance and work experience - but disappointed that the Corporation’s targets had not been hit; in particular 85% attendance is still too low. JD said unfortunately there has been far slower progress on the other KAIs - and Governors agreed that the slow pace of change is concerning, particularly as the College will soon be re-inspected by Ofsted and it will be critical to demonstrate that progress is being made.</p>	
7.10	<p>A Governor commented that, despite FE quality improvement plans being agreed and implemented every year, they do not seem to deliver the desired outcomes. The Governor said enquiring into the reasons for past failures and producing a report for the Corporation on this might prove to be a worthwhile learning exercise. DCEO agreed, acknowledging Governors’ need to understand where things have gone wrong.</p> <p>Action: Management will review previous quality improvement initiatives to help Governors better understand why they did not deliver more success.</p>	DCEO
7.11	<p>There was discussion about the need for additional resource to support quality improvement and Governors were updated on the bid for Strategic College Improvement Fund funding, which will entail a partnership with Dudley College, rated Ofsted Outstanding. DCEO said this is expected to be a positive driver of improving quality.</p> <p><u>Subcontracting Approvals</u></p>	
7.12	<p>JD shared Q&S’s recommendations in respect of apprenticeship subcontracting arrangements proposed by the Executive. She said Q&S reviewed the proposed arrangements and, after consulting with CEO, was satisfied on the basis of the due diligence data presented to it that:</p> <p>a) the proposed arrangements will meet the College’s strategic aims and enhance the quality of the learner offer; and</p>	
7.13	<p>b) the proposed partners are of ‘high quality’ and ‘low risk’.</p>	
7.13	<p>The due diligence data had been shared with Governors ahead of the meeting, together with the Q&S recommendation that the proposals should be accepted and approved.</p>	
	<p><u>RESOLVED:</u></p> <p>(i) The evidence presented is capable of supporting an assessment of whether the proposed subcontracting will meet the College’s strategic aims (as described in paras 1 and 2 of the Supply Chain Policy) and enhance the quality of the learner offer, as well as whether the proposed partners are “high quality” and “low risk”.</p> <p>(ii) On the basis of the evidence presented, the Corporation is satisfied that the proposed subcontracting will meet the College’s strategic aims and enhance the quality of the learner offer.</p> <p>(iii) On the basis of the evidence presented, the Corporation is satisfied that the proposed partners are of ‘high quality’ and ‘low risk’.</p> <p>(iv) Management shall be and is authorised to enter into the proposed arrangements.</p>	

8	<p>Group Discussions about Quality and Performance Risks</p>
8.1	<p>Governors returned to their groups to discuss the risks that had been grouped under the heading 'Quality and Performance'. Each group had 25 minutes to discuss two risks, following which the meeting reconvened to share and comment on the findings.</p>
	<p><u>Failure to ensure the curriculum is relevant, innovative, adds value and is of high quality and is planned and improved to meet the needs of learners #SR6 (Group B)</u></p>
8.2	<p>Group B commented that this risk encompasses a number of elements, hence the assurance map will be broad - but key is the quality of both the FE and HE curriculum, which is so fundamental to the College's purpose and success that it is constantly on Corporation Agendas, with Q&S charged with monitoring it. When the full Corporation reconvened, there was agreement that both the inherent and residual impact scores for the risk should be at least '4' ('Major')⁴ and the residual likelihood should be '3' ('as likely as not'), resulting in a combined score of 12.</p> <p><u>Failure to close equality gaps in outcomes for learners #SR13 (Group B)</u></p>
8.3	<p>Group B noted that the ESFA terms and conditions of funding require the College to offer equality of access to learning opportunities and to close equality gaps in learning and outcomes. The College is required to demonstrate that it has had regard to the Equality Act 2010 Public Sector Equality Duty, as well as the Human Rights Act 1998, in particular using analysis of data to inform future planning to improve the representation, participation and success of underrepresented and underachieving groups and challenge stereotyping.</p>
8.4	<p>It was noted that the OfS has set ambitious and long-term equality targets for the HE sector, stating an expectation that providers will set their own targets working towards the OfS targets, aimed at eliminating equality gaps in non-continuation and degree outcomes. Equality is also integral to the Common Inspection Framework - and compliance with the relevant duties set out in the Equality Act 2010 and Human Rights Act 1998 is taken into account in Ofsted key judgements.</p>
8.5	<p>There was agreement that the 'effects' of the risk crystallising in terms of funding rule non-compliance or a negative Ofsted finding should be added to the Risk Register. The risk was scored by Governors as impact '4'; likelihood '3', a combined score of 12.</p>
	<p><u>Failure to ensure achievement rates and value added increase and are above national averages #SR5 (Group A)</u></p>
8.6	<p>This risk provoked debate. Some Group A members felt the wording should be changed to "Failure to deliver outstanding outcomes at all levels", to better reflect what the Corporation is ultimately seeking to achieve and its high expectations. This prompted discussion about the nature of the harm the College is seeking to prevent through its risk monitoring in this area, with the Executive observing that the key concern is that, should achievement rates fall below national averages, there would be a detrimental impact upon reputation and recruitment, as well as income, and it may trigger an Ofsted inspection leading to a negative outcome. Agreeing with the Executive's assessment, Governors ruled that, on that basis, the impact score for the risk should be '5' and the residual likelihood also '5' ('Almost Certain')⁵, the risk having already crystallised. It was noted that Q&S is already charged with monitoring this risk.</p>

⁴ per the College policy meaning 'Financial: Loss of up to £1m; Student Outcomes: Effective service delivery is disrupted in a specific building OR 10%-20% drop in success rates; Safety: Single fatality; Reputation: damage occurs with National press coverage.'

⁵ Per the College policy meaning 'Likely to occur this year or frequency of more than once a year; Probability 97%'

8.7	<p>There was discussion about the Risk Matrix the College has adopted, in particular whether the impact descriptors are fit for purpose or too blunt a tool. A Governor observed that, since the College is already in the bottom quartile in terms of its FE student outcomes and will invite further intervention if it fails to improve, even a small further drop in outcomes should be regarded as 'catastrophic'. This was agreed.</p> <p><u>Failure to improve on poor inspection grades and quality assessment outcomes #SR16 (Group A)</u></p>	
8.8	<p>It was noted that, currently, this risk and risk #SR5 are closely linked, in that, as the status of risk #SR16 improves, it is likely that the status of this risk will also improve. As with risk #SR18, a Governor commented that, even if the position remains unchanged, i.e. no decline in student outcomes at all, the impact should nonetheless be deemed 'catastrophic'.</p>	
8.9	<p>Governors agreed that the likelihood of this risk crystallising is very high currently and scored both the residual impact and likelihood as '5'. Q&S will continue to monitor the risk and will report to Corporation.</p> <p><u>Failure to improve the quality of teaching, learning and assessment #SR8 (Group C)</u></p>	
8.10	<p>There was strong agreement that, of the 'quality and performance' risks, this is the key one from the Corporation's point of view, as strong teaching, learning and assessment can be expected to produce improved student outcomes and an enhanced student experience. It was agreed that the risk's residual impact score should therefore be '5'.</p>	
8.11	<p>Governors agreed that they were well informed about the 'likelihood', as Q&S has been discussing aspects of teaching, learning and assessment at every meeting and the valuable advice it has sought from an external consultant has informed the Corporation's views. Governors agreed that, as things stand, there is little in the way of assurance that the quality of teaching learning and assessment will soon improve. They noted however that the College is hopeful of succeeding in its Strategic College Improvement Fund bid, in which case this risk score may soon improve. Governors agreed that the risk is 'as likely as not' to crystallise, i.e. a score of '3', resulting in a combined score of 15.</p>	
8.12	<p>It was noted that Q&S is monitoring this risk at its meetings.</p> <p><u>Failure to have appropriate data governance procedures in place to provide relevant, timely and accurate management #SR10 (Group C)</u></p>	
8.13	<p>Governors were quick to recognise the impact of poor data management on quality, noting that this has been a Corporation concern for some time. There was strong agreement that improvements are needed to support strategic recovery and the causes of this risk must be seen to include corporate failure to enforce process adherence.</p>	
Finance and Resources and Audit		
9	Audit Committee Report (27 September 2018)	
9.1	Audit Committee Chair Paul Ashton gave a brief summary of the recent meeting, saying the minutes and a full report will be presented at the Corporation's 1 November meeting.	
10	Finance and General Purposes Committee Report (4 October 2018)	
10.1	The Finance & General Purposes Committee ("F&GP") Interim Chair Cath Orange ("CO") reported on F&GP's business, saying while a significant deficit is forecast and the ESFA health score will not change, the financial picture is slightly improved. She said F&GP had discussed staff pay, noting the difficulty of contemplating a pay award while the College is in receipt of Exceptional Financial Support. This was acknowledged.	

<p>10.2</p> <p>10.3</p> <p>10.4</p> <p>10.5</p>	<p>CEO was asked for an update on the RF application, this having been agreed to be (at the 19 July Corporation meeting) the key risk to the three year financial plan (see also the discussion regarding risk #SR15 below). CEO said Governors will recall that audit firm KPMG was asked by the bank to carry out further analysis of the College's debt repayment capability. The resulting report has been released to the Transactions Unit and further discussion will take place ahead of a Funding Committee meeting in early November. The College view is that, without investment in quality improvement, the aimed at 'fresh start' will not succeed long-term.</p> <p>A Governor asked whether the November Funding Committee meeting is when the final decision on the RF application will be made. CEO clarified that final sign-off is by the Secretary of State, at a later stage, possibly towards the end of January 2019. CEO then asked for a confidential minute to be taken in respect of a matter that is commercially sensitive and this was agreed.</p> <p><i>This matter is considered to be confidential at this stage and therefore the discussion is recorded in a confidential annex at the end of this document and marked Annex 1.</i></p> <p>It was noted that the minutes of the 4 October meeting will be presented at a future meeting; they are not yet available.</p>	
<p>11</p> <p>11.1</p> <p>11.2</p> <p>11.3</p> <p>11.4</p>	<p>Group Discussions about Finance and Resources Risks</p> <p>Governors returned to their groups to discuss the risks grouped under the heading 'Finance and Resources Risks'. Each group had 30 minutes to discuss two risks, whereupon the meeting reconvened to share and comment on the findings.</p> <p><u>Failure to meet income targets #SR2 (Group A)</u></p> <p>It was noted that F&GP is responsible for monitoring this risk throughout the course of the year. Group A reflected on the extent that a failure to meet income targets impacts on the whole of the business, affecting the experience of all staff and students. There was agreement that the impact score for the risk should be '5' ('catastrophic'), whereas, on the assumption that the College is successful in its RF bid (i.e. on the same basis as the 2018-19 budget was approved), the residual likelihood should be 'fair chance' ('2').</p> <p><u>Failure to manage the Estate effectively #SR4 (Group A)</u></p> <p>There was strong agreement that the College estate must not be allowed to fall into disrepair and/or to become non-compliant with health and safety regulations. It was also agreed that the costs of maintenance, or inefficient utilisation could impact the budgeted position of the College. Group A emphasised the connection between this risk and risk #SR2, noting that a deteriorating estate would likely impact student recruitment and retention. F&GP will continue to monitor utilisation and the condition of the estate.</p> <p><u>Failure to achieve a successful RF application outcome #SR15 (Group C)</u></p> <p>There was firm agreement that the impact score for this risk must be '5', whereas the residual likelihood score should by now be relatively low, given the progress the College has made in implementing the FEC recommendations and the improvements it has made to its financial position and to its systems of budget-setting, forecasting and monitoring. CEO observed that all recent forecasts have been achieved, the Transactions Unit has received all the information it has sought, and the tone of ESFA case conferences has been positive. It was agreed on this basis that 'fair chance' (i.e. score '2'⁶) is the appropriate likelihood score. The Corporation and F&GP will continue to monitor this risk.</p>	

⁶ Per the College policy meaning 'Likely to occur in next 5-10 years or frequency of 5-10 years; Probability 25%'

<p>11.5</p> <p>11.6</p> <p>11.7</p> <p>11.8</p> <p>11.9</p> <p>11.10</p>	<p><u>Change in Government policy impacting on funding and quality assessments #SR9 (Group C)</u></p> <p>The Chair highlighted that this risk encompasses both financial and quality risks. It was noted that the College has little influence or control over Government Policy in either area, hence the focus must be on the risk of poor preparedness to mitigate the impact where changes do happen. Governors discussed the importance of horizon-scanning and recalled previous policy changes which have severely impacted the College strategy. They agreed that the likelihood score should be ‘as likely as not’ (‘3’).</p> <p>While Governors noted that there is no agreed forum for monitoring this risk, it was agreed that it must be considered whenever the Corporation is weighing up any proposed material commitments or change of strategic direction.</p> <p><u>Inability to maintain financial sustainability by failure to generate operating surpluses, control costs and manage cash flow #SR3 (Group B)</u></p> <p>Group B observed that this risk mirrors the College’s Strategic Goal #4: ‘Maintain a dynamic and sustainable college and is the ‘expenditure control’ equivalent of the #SR2’ income control risk. It was agreed that the impact score for the risk should be ‘5’ (‘catastrophic’) and (again) on the assumption that the College is successful in its RF bid and given management’s efforts to control expenditure and improve monitoring and communication processes, the residual likelihood should be ‘fair chance’ (‘3’). There was discussion about the costs and risks associated with the pension schemes.</p> <p>There was strong agreement that, of all the ‘finance and resources’ risks, this is the key one from the Corporation’s point of view. It was noted that F&GP monitors it at its regular meetings.</p> <p><u>Failure to recruit, retain and engage high performing employees #SR7 (Group B)</u></p> <p>There was discussion about the wording of this risk, with some Governors suggesting that the words ‘high performing’ might be replaced by the words ‘skilled, motivated and passionate’ and emphasising that the risk should be concerned with the effectiveness of the entire staff body.</p> <p>Recalling the staff surveys in recent years which have returned concerning messages about low morale, as well as the lack of any pay increase over many years, Governors agreed that this risk is a key one for the College, as staff are its most important and valuable resource, hence the designation of the Director of People Services role as a Senior Post Holder. It was agreed that it should have an impact score of ‘4’ (‘Major’) and the current likelihood score should be ‘4’ (‘Likely’).</p>	
Effective Governance		
<p>12</p> <p>12.1</p>	<p>Governance Update</p> <p>The Chair and the Clerk observed that the status of the risk of ineffective governance has fluctuated throughout the year and while some recent improvements have strengthened the framework, there are still a number of action points to implement. The Clerk said the capacity stretch persists as the assistant position remains unfilled, creating a risk that, in December, the Corporation may need to address some regularity concerns in its Statement of Corporate Governance and Internal Control.</p>	
<p>13</p> <p>13.1</p>	<p>Group Discussions about Governance Risks</p>	

<p>13.2</p> <p>13.3</p> <p>13.4</p> <p>13.5</p> <p>13.6</p> <p>13.7</p>	<p>Governors returned to their groups for a final time, to discuss the risks that had been grouped under the heading 'Governance Risks'. Each group had 20 minutes to discuss two risks, the second in each case being the risk of ineffective governance. At the end of the allotted time, the full meeting reconvened to share and comment on the findings.</p> <p><u>Failure to have appropriate data governance procedures in place to provide relevant, timely and accurate management information #SR10 (Group A)</u></p> <p>Group A discussed this risk, Group C having previously looked at it in the context of curriculum, quality and performance only. The need for reliable, accurate, easily retrievable data was strongly emphasised, with Governors commenting on the importance of up to date and accurate financial data to facilitate budget monitoring and forecasting. One Governor emphasised the link between management data and strategic planning, observing that if decisions are made based on misinformation, the College can proceed on entirely the wrong course.</p> <p>It was agreed that the impact score for this risk should be '5' and the residual likelihood score should be '3' ('As likely as not'). It was agreed that the Corporation must monitor this risk.</p> <p><u>Failure to appoint senior leaders with relevant skills and experience to be able to deliver clear strategy and strong leadership #SR1 (Group B)</u></p> <p>There was firm agreement that this risk is of particular importance from a governance point of view, as Senior Post Holder appointment and performance management is an area where a corporation can have significant impact; it is a critical function - and key to any college's success. Consequently, the 'impact' score for the risk was declared to be '5' ('Catastrophic'), while the likelihood was felt to be '3' ('As likely as not').</p> <p><u>Failure to effectively promote the College #SR11 (Group C)</u></p> <p>The Chair observed that this is a very important responsibility for a corporation – and this was agreed. There was discussion about Governors' role in promoting the College directly, both as individuals and as a Corporation in overseeing the promotion of the business, both in terms of marketing of its products and services but also in building and maintaining its reputation and standing with stakeholders, including the funding bodies.</p> <p>While there was agreement that ineffective promotion of the College will lead to reduced student numbers, funding opportunities and a challenge in attracting high-performing staff, Governors rationalised that its educational character, in particular its geographical situation, size, capacity to deliver and its relationship with its local communities mean that promotion and marketing are only part of the reason people come to the College to study and learn. The impact score was therefore agreed to be '4' ('Major'). Following discussion about the challenges of overcoming obstacles such as the Ofsted rating and financial situation, the residual likelihood score was agreed to be '3' ('as likely as not').</p> <p><u>Ineffective Governance #SR17 (All Groups)</u></p> <p>Finally, the meeting discussed the risk of ineffective governance, which is monitored by the Search Committee and the full Corporation. Governors took note of the Clerk's concerns and recalled the outcome of the recent Internal Audit report on the Governance (Committee and Reporting) Framework. It had yielded a 'partial assurance' opinion, with the auditors making a number of recommendations, including about the content and timing of reports as well as the arrangements for monitoring the subsidiary companies. It was agreed that the impact score for the risk of ineffective governance should be '5' ('catastrophic') and the inherent likelihood score should be 'as likely as not' ('3').</p>	
<p>14</p>	<p>Risk Register: Summary of discussions and next steps</p>	

14.1	The Executive's scoring for each of the risks compared with Governors' is outlined in the Executive Risk –v- Governors Scoring (Oct 2018) document (Appendix 1).	
14.2	In preparing for the meeting, and during it, the Governors had reflected on whether any further risks should be added to the list at the present time. None were suggested.	
14.3	Action: The Executive will undertake a further review of the Risk Register, taking account of Governors' comments and discussing the differences in scoring.	
14.4	<p>CEO said, once a further review of the Risk Register has been carried out by the Executive team, it will be populated with additional assurance information and action points, whereupon the Corporation will receive it again. In the meantime, monitoring of all the above risks will take place at committee and Corporation meetings, as follows:</p> <ul style="list-style-type: none"> • Finance & General Purposes Committee will monitor risks SR2 (income targets); SR3 (financial sustainability); SR4 (estate management); SR14 (critical incident preparedness) and SR15 (RF application). • Quality & Standards Committee will monitor risks SR5 (achievement rates and value added); SR6 (curriculum quality); SR8 (quality of teaching, learning and assessment); SR13 (equality gaps); and SR16 (improve inspection grades and assessment outcomes). • Search Committee will monitor risk SR17 (ineffective governance). • Corporation will monitor risks SR1 (leadership team); SR7 (high performing staff team); SR9 (Government policy); SR10 (data governance); SR11 (College promotion); and SR18 (Safeguarding). 	
14.5	There was agreement that the fact of having thoroughly reviewed the risk register, and the adoption of a new, more rigorous approach to risk management at Corporation level, should ensure that, going forwards, more dialogue takes place around the key strategic risks, so that Governors and the Executive can build a shared understanding of the level of risk the College is facing in each area from time to time. It was noted that, on only seven of the risks discussed had Governors and the Executive agreed on the 'likelihood' score and, notably, Governors had scored the impact of some of the 'finance and resource' risks higher than the Executive.	
14.6	Concluding the discussion, the Chair thanked everyone for their valuable input into an important session, in particular CEO, RMO and the visiting managers and officers who had given up their time into the evening, as well as those who have contributed outside the meeting.	



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Matters to Note		
15	Training for Bradford (CTS) Board Meeting Minutes	
15.1	The 10 July and 26 September minutes were received for information. No questions had been received.	
16	Inprint & Design Minutes	
16.1	No meeting had taken place.	
17	Equality & Diversity Committee Minutes of 13 June	
17.1	No meeting had taken place.	
18	Health, Safety & Welfare Committee Minutes	
18.1	The 26 September minutes were received for information. No questions had been received.	
19	JCC Minutes	
19.1	The minutes of 12 July were received for information. No questions had been received.	
20	Minutes of Appointments Committee	
20.1	The Appointments Committee's minutes of 18 July 2018 were not yet available.	
21	Dates of Next Meetings:	
21.1	1st November 2018 at 1600: Corporation Training & Outreach; 13th December 2018 at 1600: Corporation 10 th January 2019 at 1600: Corporation Training & Outreach	
Meeting Evaluation		
22	Evaluation of Meeting	
22.1	Feedback forms were distributed for completion and then returned to the Clerk.	
Any Other Business		
23	Any Other Business	
23.1	There being no other business, the Chair declared the meeting closed.	

Actions

#	Min	Details	Who
1.	3.8	DCEO will review Matters Arising Item 8 and discuss with the Chair of Corporation.	DCEO
2.	3.9	The Clerk will prepare a set of skeleton minutes in anticipation of the RF application sign-off of the facility agreement and related documents, including draft resolutions regarding the delegation of decision-making, for the Corporation to consider.	Clerk

3.	4.3	CEO will investigate and report to the Corporation on whether the policy of charging for lost lanyards and ID cards and/or the level of charges has any impact on student attendance and attainment.	CEO
4.	5.1.2	SM will amend the Safeguarding Policy by deleting the word “expects” and substituting the word “requires” at the top of page 2.	N Koral (SM)
5.	5.1.4	The Annual Safeguarding Report is deferred to a future meeting, with the instruction that it must be expedited.	C Tupling (DSO)
6.	5.2.2	The Head of Contracts Management shall be instructed to obtain a signed Police Data Sharing Agreement in respect of the Further Education Liaison Officer on site in College (to include updated Data Protection/GDPR Section and responsibilities).	CEO, HCM
7.	7.9	Management will review previous quality improvement initiatives to help Governors better understand why they did not deliver more success.	DCEO
8.	14.3	The Executive will undertake a further review of the Risk Register, taking account of Governors’ comments and discussing the differences in scoring.	Exec

Meeting Synopsis

Item #	Details	Minute
1.	New Governors Geoff Alvy, Paul Birtles and Neil Ward joined the Corporation. Their appointments bring the membership to 18 and boost the financial and commercial acumen of the Board, satisfying a recommendation (#4) of the Further Education Commissioner (“FEC”).	1.2
2.	The College continues to work with the Police, Local Authority and other agencies to tackle local anti-social behaviour.	3.10
3.	The Student Governors highlighted a lack of social space in the Lister Building and called for a review of the cost of replacement student ID cards and lanyards.	4.3
4.	A revised version of the College Safeguarding Policy was approved, with immediate effect.	5.1.3
5.	Governors heard that a new campus Police Further Education Liaison Officer is in post and is thought to be having a positive impact.	5.2.2
6.	The Corporation reviewed a new strategic risk register and discussed each of the risks, suggesting inherent and residual risk and impact scores and determining appropriate monitoring arrangements. Governors’ scores were then compared with managements, to see to what extent Governors and management have a shared understanding of the level of risk the College is facing. The Executive will now carry out a further review of the risk register and will populate it with sources of assurance, causes and effects and action points, for future reporting to the Board.	6, 8, 11, 13, 14
7.	New Quality & Standards Committee Terms of Reference and a new Schedule of Work were approved.	7.3
8.	Governors discussed the FE achievement rates and expressed concern about the significant underperformance of functional skills maths and English, in particular, management’s ability to accurately forecast in those areas.	7.4
9.	Governors were disappointed to learn that the College’s ‘overall satisfaction’ score in the National Student survey had fallen by 3.26%.	7.5

10.	Governors discussed progress on the Ofsted Key Areas for Improvement (“KAI”), noting that, although the Corporation’s targets have not been hit, there have nonetheless been improvements in the areas of work experience and attendance. Governors were concerned to note that there has been much slower progress on the other KAIs, particularly as the College will soon be re-inspected by Ofsted and it will be critical to demonstrate that progress is being made.	7.8
11.	The Corporation approved some apprenticeship subcontracting.	7.13
12.	The Finance & General Purposes Committee reported that although a significant deficit is forecast and the College’s financial health score will not change, there is a slightly improved financial picture.	10.1
13.	Staff pay was discussed; it was agreed that a pay award cannot reasonably be considered while the College is in receipt of Exceptional Financial Support.	10.1
14.	CEO reported on progress of the Restructuring Facility application, which is now at the Funding Committee stage. It was clarified that this is not the final stage; the application requires Secretary of State sign-off.	10.2
15.	Minutes of the College’s subsidiary company Training for Bradford were received for information and monitoring purposes.	15.1
16.	Minutes of the College’s Health, Safety and Welfare Committee were received for information and monitoring purposes.	18.1
17.	Minutes of the College’s Joint Consultative Committee were received for information and monitoring purposes.	19.1

Thanks and Acknowledgements

Item #	Details	Minute
1.	Governors welcomed the news of Risk Management Officer Liz Knowles’s return to work and asked that their best wishes be conveyed to her.	3.5
2.	Thank you to all managers and officers who have been involved in the review and refresh of the strategic risk register.	14.6