

**PART A DRAFT Minutes of the Corporation meeting held on 11 July 2017 at 4 pm
University Centre Board Room 4H01**

Present Gill Alton CEO, Lesley Charlesworth-Browne, Robert Edwards, Lucy Ottewell-Key, Erika Stoddart, Jonathan Lovelle, Liam Atkinson (observer)

In Attendance Susan Bailey, Clerk to the Corporation, Debra Gray Principal GIFHE, Sam Whitaker Group Director Strategic Projects, Don Everitt Group Director Finance, Angela Smith Group Accountant

Prior to the meeting Governors and the Clerk took part in a Strategic Management planning session to agree and finalise Group and Local Board Strategic Measures 2017-18 (year two of the Group's Three Year Strategic Plan). It was agreed that the CEO incorporate Governor's suggestions and points raised into the plans and circulate the finalised version to all Governors in September 2017.



The meeting commenced with a presentation from Claire Foster VP HE on current HE challenges and opportunities which provided an overview of GIG HE key facts, student profile, the outcome of the recent QAA visit 20.6.17, current progress to date and actions for the next 12 months (see attached presentation slides) Governors thanked Claire Foster for a very informative and helpful presentation.

1. Apologies for absence

Apologies were received from Tony Bramley, Roger Cannon and Philip Jackson.

2. Declarations of Interest

There were no declarations of interest received.

3. Minutes of the Corporation meetings held on 9 May 2017 and matters arising.

RESOLVED the minutes of the Corporation Meetings held on 9 May 2017 were approved as a correct record and signed by the Chair. There were no matters arising from the minutes.

4. Ofsted / QAA Inspection update and future marketing / PR plans

The update report on the recent Ofsted and QAA Inspections was considered. It was agreed that the outcome of the Ofsted Inspection had been exceptional and was testimony to the hard work of all staff, students and governors over several years.

The following was noted:

- Staff were to be rewarded with an additional two days holiday one of which would be included as an extra closure day at Christmas.
- A wide variety of Marketing / PR activities were now planned to promote the Ofsted 'outstanding' success and promote the Group as **'the only College in the Humber and Greater Lincolnshire region to be outstanding'** on publication of the report.
- The QAA visit held on 20 June 2017 had resulted in two minor recommendations in relation to the Group's HE action planning and monitoring of the effectiveness of initiatives to address student satisfaction and retention and which were currently being addressed through the implementation of a TEF action plan.
- The results of the QAA visit confirmed that the Group's HE standards were not in question and that there was evidence of a positive culture embedded throughout HE provision.
- The Group had applied for and been awarded a 'Bronze' award for TEF (Teaching Excellence Framework) and whilst not mandatory to apply for had provided a clearer indication of the evidence needed to achieve a Silver or Gold award in subsequent years.
- The Group were currently at 6.77% non-continuation rate against last year's national benchmark of 13.7% and which is a key area for the TEF rating, mandatory for all HE providers from January 2018 onwards.
- A very high response rate of 80.6% of all HEIs had been achieved this year with the National Student Survey (NSS) results expected in early August 2017.

RESOLVED The OFSTED / QAA Inspection update report was noted with thanks to all staff and students concerned in achieving the 'outstanding' Ofsted Status.

5. Area Based Review Update and implementation of agreed actions (Concordat and LCG Federation)

Minute 5 was classified as confidential in accordance with Clause 17 of the Instrument of Government for a period of one year.

6. Draft Strategic Plan and Measures 2017-18

The CEO presented the proposed draft Group Strategic Plan and associated Measures 2017-18. Governors fed back the results of previous discussions in groups regarding the strategic plan having considered the following questions:

- Did the overarching aim capture governors' ambition for the Group, if not how could it be enhanced?
- Were the four big things still the key focus? If not what was?
- Were the proposed measures SMART and challenging enough and focussed on the right things?

Governors agreed that the Strategic Plan 2017-18 was appropriate, provided the correct focus with the following additions suggested:

- The overarching aim should more closely reflect the inclusivity of all component parts of the Groups provision including Employer Responsiveness, Modal and HE.

- The aim should be short and ‘punchy’ and easy for all staff and stakeholders to understand and remember.
- The ‘Four Big Things’ should remain the Group’s key focus.
- SM 4.1 & 4.2 and could be sharpened to make SMARTER
- SM 3.4 should be strengthened to emphasise the need to embed the Group’s Risk Management framework.
- An additional target to reflect the Group’s management of the media should be considered.
- SM 3.3 should include reference to the requirement to maintain margins.

RESOLVED The Group Strategic Plan and Measures 2017/18 were approved subject to review of the finalised version during the summer 2017 and in line with feedback from each local board.

7. Current Strategic Plan update 2016-17

The CEO submitted the Group’s Strategic Plan update report including latest attendance and retention KPIs (Key Performance Indicators) Exception reports generated by Strategic Measures (SM) RAG rated amber or red and therefore requiring further attention and scrutiny by the Corporation and Management were as follows:

SM 1.2 90% of learners successful overall. The latest KPI data relating to attendance and retention at GIG by campus provided a comparison against previous years and showed an improving picture for attendance across the Group towards the target of 90%. Whilst 90% attendance was unlikely to be achieved it had been RAG rated green in view of the Group’s retention data which continued to be strong, showing an upward trend at all sites and considered by management to have the greater influence on overall success.

The data confirmed that Group performance for Functional Skills, English and Maths showed improvements from last year at all sites. Governors noted that English had performed better than maths currently and agreed that the pace and level of improvement was highly commendable.

SM 3.4-6 Financial Security and Core Funding stream position and current forecasts. Minute 6 relating to SM3.4-6 was classified as confidential in accordance with Clause 17 of the Instrument of Government for a period of one year.

SM 3.3 Ensure Group staffing to income ratio was less than 64%. Governors noted the target was unlikely to be achieved as Group staffing was currently 66.7% and that action to reduce staffing costs in line with income for 2017-18 had been taken and which would result in a new target of 63% being set for 2017/18.

SM 3.5 Income diversification strategy. The CEO confirmed that a new approach was to be adopted, with a working group review of performance of the Group’s commercial areas over the last 2 years now completed and an associated action plan now implemented.

SM 3.6 Maintenance of cash reserves above 50 days of operating expenditure. Governors were pleased to note that cash reserves were currently 80 days in hand and had therefore returned to a green RAG rating.

During points for clarification the CEO reported that as a result of lessons learned regarding the delivery external contracts a stricter process to approve projects had been put in place with additional training for project writers also provided.

Analysis of the core funding streams for the Group, split by Grimsby (including LRC and Workforce Skills) and Scarborough TEC showed a deficit of £1,531m for the Group currently mainly due to below target funded income alongside the delayed start of Modal Training Ltd and ESF contracts awarded directly/subcontracted to the Group.

Mitigating actions in both pay and non-pay costs had had a positive impact with management at all levels working to secure additional income in order to achieve an operating deficit of £1,089k excluding pension provisions. The CEO reported that due to the fixed nature of HE and 16-18 funding the Group's main focus was currently on achieving apprentice and adult funding forecasts with expectations that the Group would achieve adult funding through Grimsby IT/Community Learning Centres, distance learning, programmes for the unemployed and subcontracting.

SM 4.6 Brand Architecture at GIG and Brand. The report on recent marketing activities was considered and which confirmed the following:

- Group name testing with staff and external stakeholders had taken place on 30 June 2017, the results of which were currently being considered by EMT
- The new visual identity for Skegness had been created with a new website now in build and a new brand name ready for launch in September 2017.
- A new concept for GIFHE was to be developed in order to simplify the brand and increase versatility.
- All future advertising and brand communications would now incorporate the Group's Ofsted 'Outstanding' logo.

An update on the methodology for determining and approving the Groups / Local Boards' Strategic Measures for 2017/18 were detailed within the report as follows:

- The Group measures for 2017/18 had now been discussed at different levels within the organisation and recommendations incorporated.
- Feedback from the Governance workshop held on 11 July 3-4pm would also be incorporated into the final version and circulated to governors in September 2017.
- The Local Board measures (GIFHE and STEC) had been discussed at the most recent board meetings and any feedback would be incorporated into the final version to be circulated in September 2017.
- The C & E Board measures would be circulated for comment following formalisation of the scope of the board.
- A copy of the finalised and agreed measures would be placed in every staffroom and office.

RESOLVED The Group's Strategic Plan update and actions to address key issues was noted.

8. Wolds College Louth

Minute 8 was classified as confidential in accordance with Clause 17 of the Instrument of Government indefinitely.

9. Risk Management Strategy, Progress Report and Register

The Group Director Corporate Services presented the Group Annual Risk Management Strategy, Progress report and register 2017-18 which detailed the actions taken by management to develop and produce the documents. During scrutiny the following was noted:

- The Audit Committee at the meeting held on 27 June 2017 had recommended the approval of the Risk Management Strategy progress report and Risk register following scrutiny and review.
- Two additional risks had recently been added to the risk register during the year in relation to project performance in ESF/ERDF and similar grants and the financial targets for the Groups commercial areas 2017-18.
- Failure to achieve business plan targets at Modal remained the most significant risk to the Group.
- The risk in relation to cash balance had been increased in view of the forthcoming STEC campus move to Filey Road.
- In line with the outcome of the recent Ofsted Inspection a number of risks had been reduced.

The Chair of the Audit Committee confirmed that the Audit Committee recommended the Risk Management Strategy, progress report and Risk Register 2017-18 for Corporation approval but had advised a further review be undertaken by the committee following the commencement of the new Group Director Finance to ensure reference to the Corporation's recently agreed Risk Appetite was included within the strategy document and incorporated throughout the Risk Register.

RESOLVED The Risk Management Strategy, progress report and Risk Register 2017-18 was approved subject to inclusion of the Corporation's agreed Risk Appetite data in September 2017 to be submitted to the Audit Committee meeting on 26 September 2017.

10. Board Assurance Framework 2017-18

The Group Director Corporate Services presented the Group Board Assurance Framework 2017-18 and progress report which detailed the actions taken by management to develop and produce the framework. During scrutiny the following was noted:

- The Board Assurance Framework had been updated to reflect the new governance structure implemented from January 2017.
- The Board Assurance Framework combined with the Strategic Risk Register would become one of the key inputs into determining the Internal Audit programme.
- The Board Assurance Framework focused on the key risks facing the Group and away from lower risk areas in order to optimise resources in achieving required assurance levels.

The Chair of the Audit Committee reported that the Audit Committee recommended the Group Board Assurance Framework for Corporation approval but had advised a further review be undertaken by the committee and GD Finance to ensure that reference to the Corporation's recently agreed Risk Appetite be included within the strategy document and incorporated throughout the Risk Register.

RESOLVED The Board Assurance Framework 2017- 18 was approved subject to further scrutiny of the Audit Committee on 26 September 2017.

11. Group Annual Budget 2017-18 and Financial Plan Commentary for the two year period 2017-2019

The newly appointed Group Director Finance presented the Group Annual Budget 2017-18 and Two Year Financial Forecast 2017-19 thanking the Group Management Accountant for her work in managing Group Finances during the recent hand over period and for her work to achieve a significant turnaround in the Groups financial position.

The financial plan commentary included a comprehensive narrative of the progress and status of the Group's six key financial measures, key assumptions, financial health summary, Statement of Comprehensive income, sensitivity analysis and the Group balance sheet and cash flow statement. Key highlights within the report were detailed as follows:

- Good financial health in 2017-18 and outstanding financial health in 2018-19
- Growth in EBITDA to £2.7m in 2017-18 and £4.0m in 2018-19
- EBITDA as a percentage of income increases from 6.81% in 2017-18 to 9.74% in 2018-19
- Decline in adjusted current ratio to 1.03 in 2017-18 and increase in 2018-19 to 1.49
- Growth in total comprehensive income against very challenging environment
- Staff costs (net of subcontracting and capital grant revenues) reducing from 66% in 2016-17 to 63.7% in 2018-19

The Group Director Finance confirmed that major action had been taken to secure improvements to the Group's financial position and stated that whilst the budget contained a significant amount of complex data and detail governors could be assured that high quality realistic budgetary information would be submitted to meetings as a result of recent processes put in place to improve financial reporting at all levels throughout the organisation. During questions and answers the following was confirmed to governors:

- Depreciation had been factored into the budget. Applied to computer equipment and the increase in lifespan from 3 years to 6 years would secure significant cost reductions.
- The major area of financial risks had been addressed and Governors could be assured that the financial plan was centred on reality and would allow the Group to steadily achieve an improved financial position.

Governors and the CEO wished to thank the Group Management Accountant for her work during the GD Finance handover period and stepping in with sole responsibility for managing the Groups finances which was highly commendable and very much appreciated.

RESOLVED The Group Financial Plan Commentary for the two year period 2017-2019 was approved.

12. Group Capital Budget 2017-18

Minute 12 was classified as confidential in accordance with Clause 17 of the Instrument of Government for a period of two years.

13. Update on Scarborough TEC campus re-location

Minute 13 was classified as confidential in accordance with Clause 17 of the Instrument of Government indefinitely.

14. Estuary TV update

Minute 14 was classified as confidential in accordance with Clause 17 of the Instrument of Government indefinitely.

15. Modal Training Ltd Implementation Report

Minute 15 was classified as confidential in accordance with Clause 17 of the Instrument of Government indefinitely.

16. Commercial & Enterprise (C & E) Board minutes – 6 June 2017

The Chair of the C & E Board outlined the background to the minutes summarising key points and members' agreement that the C & E Board Terms of Reference required revision in order to maximise the impact of the role of the C & E Board and in order to fully utilise and draw on the skills and expertise of current members. It had also been agreed at the meeting that financial forecasts in relation to the Group's C & E activities submitted for future review must continue to be realistic.

RESOLVED subject to a typographical error the minutes of the Commercial & Enterprise Board meeting held on 6 June 2017 were received.

17. STEC Board minutes – 8 June 2017

The Clerk outlined the background to the minutes of the Scarborough TEC Board meeting held on 8 June 2017 summarising the key points and agreements. Governors noted that the meeting had been very productive with all members fully involved in determining the Strategic Measures for Scarborough TEC for the forthcoming year 2017-18.

The CEO confirmed that success rates at Scarborough TEC were on target to improve with recruitment data also positive. The CEO reported that Scarborough TEC were exploring the offer of BTEC Sport at Scarborough TEC following the move to Filey Road and also the lease of the residential accommodation by a large local company. Governors were pleased to note the continuing improvements in quality, attendance and retention at Scarborough TEC.

RESOLVED the minutes of the Scarborough TEC Board meeting held on 8 June 2017 were received.

18. GIFHE Board minutes – 15 June 2017

The Principal outlined the background to the minutes of the GIFHE Board meeting held on 15 June 2017 summarising the key discussion points. Governors noted that the meeting had been very productive with all board members satisfied that the draft Strategic Measures for GIFHE for the forthcoming year 2017-18 were appropriately challenging. The Principal reported the following:

- Recruitment data was on track with year two students enrolled earlier this year.
- GIFHE was now aiming to achieve TEF Silver next year.
- TAG was currently ranked 1st nationally in FE 14-16 provision.

RESOLVED the minutes of the GIFHE Board meeting held on 15 June 2017 were received.

19. Audit Committee minutes – 27 June 2017

The Chair of the Audit Committee outlined the background to the minutes of the Audit Committee meeting held on 27 June 2017 summarising the key discussion points. Governors noted the following:

- 80% of the Audit plan for 2016-17 had been completed.
- There had been no areas of significant concern identified by the Audit Committee during 2016-17.
- The Audit Committee had considered a progress report on Modal Training to seek additional assurance that plans were in place to ensure Modal was fully operational and on track to achieve income targets.
- The Audit Committee had agreed to utilise the CIPFA self-evaluation tool to assess the performance of the Audit Committee during 2016-17.
- The Audit Committee had flagged the significance/ importance of the implementation of the new General Data Protection Regulations (GDPR) in May 2018 and the need for relevant GIG staff to undergo necessary training to ensure the Group was fully compliant with Data Protection legislation and in order to protect the Group from any financial risks associated with non-compliance.
- In seeking additional assurance that the new governance structure was working effectively the Audit Committee had reviewed the minutes of recent local boards meetings and had identified a retention issue with care provision at Scarborough TEC which had been communicated to the STEC Board via the Clerk and which was now included within the Annual Cycle of Business 2017-18 for further review and scrutiny.
- As part of the assurance process the Audit Committee had agreed to review a sample of local board meetings on a six monthly basis going forward.

RESOLVED the minutes of the Audit Committee meeting held on 27 June 2017 were received and the following recommendations approved:

20. Corporation Calendar of meetings – Annual Cycle of Business 2017-18

The Clerk submitted the proposed Corporation / Board meeting calendar and Annual Cycle of Business for 2017-18, devised in consultation with the Chair, CEO and members of EMT and in line with feedback from recent Local Board meetings. The Clerk confirmed that the calendar and cycle of business had been designed to synchronise with the cycle of

management and local board meetings, the strategic planning agenda and approval of the Group's annual report and financial accounts and ensured compliance with all necessary legislation.

It was noted that the calendar included joint meetings of the Corporation and local boards with meetings scheduled at different venues throughout the year to allow governors the opportunity to view and sense the learner experience at Modal, TAG, GIFHE, Scarborough TEC, Skegness and to assist in making decisions relating to those sites.

RESOLVED The updated Corporation / Board meeting calendar and Annual Cycle of Business 2017-18 was approved.

21. ABR Chairs Remuneration update July 2017

The Clerk submitted an update report summarising the steps taken to receive approval from the Charity Commission to remunerate the Chair for the additional work undertaken during the ABR Wave 4 process (September 2016 – February 2017) and details of the number of hours claimed for payment which it was noted was approximately 20% of the total amount allocated by the Corporation. The Clerk confirmed that the payment would be reported in the financial statements for 2016-17 as a separate note to the accounts.

RESOLVED The ABR Chairs Remuneration update report was noted.

22. Corporation / Governors Code of Conduct 2017

The Clerk submitted the Corporation / Governors Code of Conduct 2017 and proposed revisions in line with the recent changes in governance arrangements, a summary of which was included within the report. The Clerk confirmed that the Code applied to all members of the Corporation and Local Boards. It was agreed that a summary of the changes made to the Eversheds Code since the last version be forwarded to governors accordingly. It was agreed that any Governor or Local Board member failing to abide by the Code of Conduct may be removed from office. The Clerk confirmed that all Corporation and Local Board members would be required to sign annually their agreement to abide by the Code of Conduct alongside their annual declaration of eligibility.

RESOLVED The revised Corporation / Governors Code of Conduct 2017 was approved.

23. Membership update, Skills Audit and appointment of new governors

The Clerk submitted a membership update report which detailed the following:

- Current Corporation / Local Board membership details
- Results of the most recent skills matrix for the Corporation and Local Boards
- Governor terms of office and appointment history
- Governor Selection policy

The Clerk reported the following:

- The current skills matrix showed that the Corporation and Local Boards had an even balance of skills and experience and that gender balance was relatively even as endorsed by Ofsted in May 2017 '**Governors have a very wide range of skills, experience and links**

to the Group's communities, particularly the business community, which they use effectively to help develop the Group's strategic direction and to monitor its' progress and performance'

- The recent mailshot to local businesses seeking a new member of the Audit Committee had been successful with an expression of interest received from Mr John White, Partner of Pelham Accountants, Grimsby.
- Mr White had recently met with the Chair, CEO and Clerk to talk through the role and was now recommended for appointment as a co-opted member of the Audit Committee.
- Liz Parry had expressed an interest in becoming a full member of the Corporation.
- Alan Speight had expressed an interest in becoming a full member of the Corporation.
- Lesley Charlesworth-Browne had resigned as a staff governor and member of the GIFHE Board therefore consultation with all Group staff could now take place to communicate the Corporation's decision to reduce the number of Corporation staff governors from two to one.
- Governors with terms of office due to end 31 December 2017 included Jane Bowman, Robert Edwards, Jonathan Lovelle and David Hilditch.
- David Hilditch had confirmed he did not wish to stand for re-appointment at the end of the year therefore leaving a vacancy within the GIFHE Board.
- The Chair confirmed his intention to step down as a governor and Chair of the Corporation on 31 July 2018. It was agreed that the Chair's term of office be extended from 31 December 2017 to 31 July 2018 and that the Clerk seek nominations prior to the December 2017 Corporation meeting to allow the Chair elect an appropriate hand over period.

It was agreed that consideration of current vacancies and prospective membership be undertaken at the next meeting of the Corporation. It was also agreed that the results of the risk mapping exercise be considered during the autumn term 2017 in addition to and alongside the Corporation's skills matrix in order for the Corporation to identify any skills gaps.

RESOLVED

- a) The membership update report was received.
- b) The appointment of Mr John White as a co-opted member of the Audit Committee was approved for a period of 4 years from 12 July 2017 including a 12 month probationary period and completion of all necessary governance documentation.
- c) Jonathan Lovelle's term of office was extended from 31 December 2017 to 31 July 2018.

24. Any other business

The Chair stated that as an observer at the Audit Committee on 27 June 2017 and following subsequent discussions with the Chair of Audit it was evident that a review of current Internal Audit processes was now required in view of the outcome of the recent Ofsted inspection, the Group's finalised Board Assurance Framework and Corporation's Risk Appetite.

It was agreed that as there was no mandatory requirement to engage Internal Audit Services management should review the options now available to ensure Internal Audit costs were appropriate, governors were still able to effectively triangulate information

received at meetings and gain assurance that Group operations and the internal control framework were effective and well managed.

The Chair also reported that at the meeting with Eversheds on 4 July 2017 to review the YCC pensions situation, governors and management had agreed that Eversheds proceed with issuing court proceedings against North Yorkshire County Council should the request to release information relating to the value of the YCC pension fund be unforthcoming.

25. Date and time of next meeting

Tuesday 31 October 2017

4 pm – 6pm

GIFHE University Centre

The meeting closed at 6.30 pm

Signed _____

Date _____

Chair of the Corporation

Action Schedule

No	Minute Title	Action by	Action required
6	Draft Strategic Plan and Measures 2017-18	CEO	Circulate finalised version to governors in September 2017 in line with governors feedback.
7	Current Strategic Plan update 2016-17	CEO / Clerk CEO	C & E Board measures circulated for comment following redraft of scope of board. Copy of the final version of agreed measures placed in very staff room / office
9	Risk Management Strategy, Progress Report and Register	GD Finance	Inclusion of Corporation Risk Appetite data within Risk Register
10	Board Assurance Framework	GD Finance	Further review - outcome submitted to Audit Committee 26 September 17
23	Membership update, Skills Audit and appointment of new governors	Clerk / All	Current vacancies and membership review at next Corporation meeting 30/10/17 Inform John White of appointment to Audit Committee
24	Any other business	GD Finance	Review / investigate options for Audit Service