

**PART A Minutes of the Corporation meeting held on 30 October 2017 at 4 pm
University Centre Board Room 4H01**

Present Gill Alton CEO, Tony Bramley, Roger Cannon, Robert Edwards, Philip Jackson, Lucy Ottewell-Key, Erika Stoddart, Jonathan Lovelle, Liam Atkinson (observer) Liz Parry (observer) John White (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.

The meeting commenced with a presentation of a gift from the Chair of the Corporation to Gill Alton, CEO for 30 years' service in the Education Sector. The Chair welcomed newly appointed members / observers to the meeting.

1. Apologies for absence

There were no apologies for absence.

2. Declarations of Interest

There were no declarations of interest received. Members were reminded to declare their interests as and when necessary throughout the meeting.

3. Minutes of the Corporation meetings held on 11 July 2017 and matters arising.

RESOLVED the minutes of the Corporation Meetings held on 11 July 2017 were approved as a correct record and signed by the Chair. There were no matters arising from the minutes.

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

Minute 4 was classified as confidential in accordance with Clause 17 of the Instrument of Government for a period two years.

5. Strategic Plan update

5.1 The CEO submitted the Group's Strategic Plan update report including a summary of the end of year data at Group and campus level and reported that performance compared to other colleges continued to be very good with areas requiring attention now included in the Quality Improvement plans for 2017-18. It was noted that the Quality Improvement Plans for Scarborough TEC and GIFHE would be monitored by the respective Local Boards throughout the academic year. The update report included data relating to performance at TAG, AS results, Apprenticeships and HE Performance and also confirmed the following:

- Overall the Group was well above the national rate overall (+7.1%) and had significantly improved on last year (+3.9%) ensuring GIG was now one of the largest and likely to be in the top 10% of providers nationally.
- The Group was well above the national rate for 16-18 learners (+11.8%) and 19+ (+3.8%) with both age groups significantly improved on last year (+4.2% and 1.4% respectively)

5.2 The update report included a summary and further details of the following:

- Latest KPI's relating to attendance and retention showing early indications that there would be an improvement on last year's data.
- Core Funding Stream position and current forecasts summary including % achievement of funding and recruitment to date for all areas of the Group's provision.
- Other key developments including the Groups four bids with neighbouring institutions to become an Institute of Technology.
- Other major capital bids, namely Scarborough Elite, Humber Healthcare Academy, RISE and GLLEP Skills Capital
- Key Strategic Measures 2017-18

SM 1.4 The Group had achieved ALPs grade 4 as predicted.

SM 1.6 The Calendar for collecting student satisfaction data was scheduled to ensure regular collection of data throughout the academic year.

SM 2.2 Staff satisfaction showed an improving picture with data showing performance against comparison colleges. Areas undergoing restructure provided the worst ratings in terms of job security and feeling valued and were currently under further investigation.

SM2.3 Formal recognition for three Beacon Awards, several submissions to the Times Education awards and the Scarborough Business Awards were ongoing the results of which would be reported to the Corporation accordingly.

SM 3.1 The Group's Three Year Financial plan exceeded the target of 8% EBITDA in 2018-19 although the budget in 2017-18 was 6.81% with efforts now being made to improve.

SM 3.3 The adult budget was on target to achieve in 2017-18 with capacity to sub-contract to other colleges.

SM 4.2 Latest results of the Employer survey were 9.14 out of 10 representing a very strong performance

SM 4.5 HE satisfaction rate was 81% representing a slight improvement on last year. Overall satisfaction rate had improved to 86% and by 11% on last year and 6% higher than 2014-15.

5.4 In respect of Institutes of Technology members were unanimous that these must be educationally led.

5.5 It was agreed that progress at Scarborough TEC was very encouraging and to be commended. Attendance at recent open evenings had been the highest to date with feedback from students and staff about the new Filey Road campus move, generally very positive.

RESOLVED The Strategic Update report was noted.

6. SAR validation process 2016-17

The CEO's report detailing the process for this year's SAR validation process was reviewed and noted. It was agreed that the process was thorough and now provided the opportunity for governors to validate the SAR at campus level. It was acknowledged that the Group SAR would bear a strong resemblance to the Ofsted Report May 2017.

RESOLVED The report on the SAR 2016-17 validation process was noted.

7. Modal Training Implementation report

Minute 7 was classified as confidential in accordance with Clause 17 of the Instrument of Government for a period of two years.

8. Strategic Projects Modal Training update report

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

9. Management Accounts 2016/17 and 2017-18

9.1 The Group Director Finance presented the Management Accounts for 2016-17 which showed an improvement of £100k to an operating loss of £(1727)K. Members noted the requirement for an impairment provision against the Lady Edith's Drive and Scarborough TEC campus. The Group's intention to consider the land values for the Institute for potential revaluation was also noted.

9.2 It was confirmed that Estuary TV had now been placed back into the Group's main operations with an action plan in place to increase income. The CEO confirmed that improvements in Estuary TV commercial income from last year were already evident.

RESOLVED The Management Accounts 2016-17 and 2017-18 were noted.

10. Enrolments as at October 2017

RESOLVED The report on Enrolments October 2017 as detailed in the CEO' Strategic Update Plan was received noted.

11. Management Accounts period 2 2017-18

11.1 The Group Director Finance presented the Group Management Accounts and forecast for period 2 2017/18 and drew attention to the following:

- A prudent approach had been adopted to current forecasting
- A budgeted surplus of £85k was forecast to improve by £541k to £636k
- Overall income was set to improve to £225k mainly as a result of the increase in HE fees compared to budget and offset by the reduction in apprenticeships revenues and Modal sales levels.

- Overall costs were projected to improve by £326k following an initial review of the cost base and partial outcome of the business review process for curriculum areas and actual enrolment numbers.
- Further review of cost base was to be undertaken over the next few months.
- Staff costs were forecast at 64.2%

11.2 In respect of the latest position of the YCC pension scheme the Group Director Finance reported that Eversheds had advised the Group approach NYC directly to request information relating to the value of the YCC pension fund with an email written by Eversheds for us to send. It was agreed that this new information contradicted Eversheds previous advice and that the Group were losing sight of the value. It was agreed that the Chair, CEO and Group Director Finance address this issue with Eversheds directly.

RESOLVED The management accounts for period 2 2017/18 were approved.

12. Bank facility and covenants

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

13. Capital investment and Filey Road re-location update

13.1 The update report on Capital Investment and the Filey Road re-location was considered. The following was noted:

- Scarborough TEC campus curriculum areas had been operational since the start of the academic year 2017-18 with the exception of Hospitality.
- Hospitality was due to relocate during the Autumn Half Term following delivery and installation of the delayed kitchen equipment.
- Final accounts for contracts were currently being produced with a reduction in contract value currently being negotiated due to the delays experienced with the Hospitality contract.
- The vast majority of IT works had been undertaken by GIFHE in-house which had minimised costs.
- Scarborough TEC staff had worked well to ensure facilities for learners were operational on time and within budget.
- A small number of snagging issues were being dealt with as part of the contract
- Learner feedback about the relocation and new campus is very positive with most learners and staff appreciating the new facilities.

13.2 An update on the new Construction and Engineering facility (Phase 2) was provided detailing the latest position regarding the pre-application planning process and current works to date. It was confirmed that the Group was still on target to achieve the agreed budget for phase 2 with a reduced size and scope. Phase 1 of the project was likely to be within budget and on time depending on final account negotiations.

RESOLVED the report on Capital investment and Filey Road re-location update was noted.

14. Capital investment 2016-17

- 14.1 The Group Director Corporate Services submitted the annual Capital Investment report 2016-17 which summarised expenditure and plans to date in relation to capital investment. Members noted that the majority of investment had centred on Scarborough TEC for the academic year 2016-17 and was over budget mainly due to Modal.
- 14.2 In relation to the inclusion of data relating the relocation of animal care and procurement of a veterinary practice it was confirmed this was a presentation matter within the accounts and had not gone ahead due as agreed by the Corporation.
- 14.3 Efforts were ongoing to reduce final expenditure for Modal, TAG Phase 4 and STEC Phase 2. The Group Director Finance confirmed that non-essential investments in the second half of the year and going into 2017-18 had been reduced in order to retain cash reserves close to strategic financial targets and pending the sales of the two Scarborough campuses.

RESOLVED The Annual Capital Investment report 2016-17 was received and noted.

15. University Qualification S (UQS) moderations report

- 15.1 The CEO submitted the UQS moderations report detailing the findings of the recent investigation of GIFHE under the HEFCE Unsatisfactory Quality Scheme. The report confirmed that the investigation team had reached a conclusion of minor issues found with two recommendations made as follows: The Institute should:
- Ensure that action planning processes explicitly identify and address institution-wide themes arising from data analyses.
 - Ensure regular and rigorous monitoring of the effectiveness and impact of specific initiatives to address student satisfaction and retention.
- 15.2 It was agreed that the results of the findings within the report were encouraging although the UQS document had been difficult to read and decipher.

RESOLVED The University Qualifications moderations report and recommendations within the QIP were received and noted.

16. Update on HEFCE Assurance Statement 2016-17

The Clerk advised the Corporation delegate approval of the Group's HEFCE Assurance Statement 2016-17 to the GIFHE Board in order to meet the HEFCE return deadline on 1 December 2017. It was agreed that it would be appropriate for the GIFHE Board to review the HEFCE Assurance Statement in depth and give the necessary approval, subject to retrospective Corporation approval on 14 December 2017

RESOLVED Consideration and approval of the HEFCE Assurance Statement was delegated to the GIFHE Board on 28 November 2017 subject to retrospective Corporation approval on 14 December 2017.

17. Audit Committee minutes 26 September 2017

The Chair of the Audit Committee outlined the background to the minutes and confirmed that work was ongoing to revise the Corporation's current Board Assurance Framework to ensure a more self-regulatory approach and facilitate the reduction in the amount of internal audit work accordingly.

RESOLVED the minutes of the joint Audit Committee meeting held on 26 September 2017 were received and the following recommendations contained within the minutes were approved:

Minute 5 Internal Audit Plan 2017-18
Minute 14 Revised Audit Terms of Reference
Minute 17 Grant Thornton Letters of Engagement

18. Scarborough TEC update

The Principal Scarborough TEC provided a short powerpoint presentation to highlight progress made since the move to the Filey Road campus in September 2017. Members were pleased to note that learners particularly enjoyed the use of the MUGA pitch, Library and Refectory and that feedback regarding facilities was generally very positive. It was confirmed that recent IT issues had now been resolved and that food was not allowed out of the refectory which had helped to reduce litter issues significantly.

RESOLVED The Scarborough TEC update report was noted.

19. Membership update report as at 30 October 2017

19.1 The Clerks membership update report was considered alongside the latest Governors skills data, appointment procedures and current membership data including proposed membership November 2017 onwards.

It was agreed that it was evident from the skills data that the Corporation's knowledge was evenly balanced with the exception of HE and Law.

19.2 The Clerk stated that the staff and student consultation process to reduce the number of staff governors from two to one had been delayed in order to allow further testing of the new governance arrangements and to make sure the reduction would be beneficial to the operation of governance arrangements. The Clerk stated that the staff consultation process would commence in January 2018 following one year's implementation of the new governance structure and that the consultation with students had been delayed in order to allow governors to consider the option to retain two student governors in view of the HEFCE expectation for HE student governors to be members of the Corporation. The Clerk stated that a report

