

**WEYMOUTH COLLEGE CORPORATION**  
**Minutes of the Board Meeting held on 9 July 2019**

<b>Members Present:</b>		<b>In attendance:</b>	
Richard Noah	<b>Chair</b>	Sue Ratcliffe	Clerk to the Corporation
Nigel Evans	<b>Principal</b>	Jenny Stiling	Associate Member
Rosie Darkin-Miller	<b>Vice-Chair</b>	Rob Cole	Director of Finance
Jane Nicklen		Phil Templeton	Vice Principal <b>Apologies</b>
Stephen Prewett	<b>Apologies</b>	Julia Rogerson	Vice Principal
Steve Webb	<b>Apologies</b>	Kelly Bush	Vice Principal <b>Apologies</b>
Andy Matthews			
Lyn Bourne			
Rod Davis			
Peter Vowles	<b>Apologies</b>		
Jacqui Gerrard			
Megan Barnes	<b>Apologies</b>		
Joanne George	<b>Apologies</b>		
Louise Matthews			
Alex Wyatt	<b>resigned</b>		
Harry Williams	<b>resigned</b>		

9 members Quorate

**Appointment of Chair and Vice Chair**

47/2019 The Clerk reported that she had received two nominations for the positions of Chair and Vice Chair of the Board: Richard Noah as Chair and Rosie Darkin-Miller as Vice Chair. Both nominees had agreed to their nominations.

**RESOLVED to appoint Richard Noah as Chair and Rosie Darkin-Miller as Vice Chair for a two year term of Office from 9 July 2019 to 8 July 2021. Proposed by Lyn Bourne, all in favour.**

**Mr Richard Noah took the Chair.**

**Apologies for Absence**

48/2019 Apologies for absence were received and accepted from Stephen Prewett, Steve Webb, Alex Wyatt, Harry Williams, Jo George, Peter Vowles, Megan Barnes, Phil Templeton, Vice Principal and Kelly Bush, Vice Principal.

**Declarations of interest**

49/2019 Members had nothing to declare.

**Notification of Any Other Business**

50/2019 one item was notified –receipt of Invitation for the Vice Chair to attend a consultation meeting to review the Dorset LEP Industrial Strategy on 23 July 2019.

**Minutes of the Meeting held on 21 May 2019**

51/2019 the minutes of the meeting held on 21 May 2019, previously circulated, were confirmed as a correct record and signed by the Chair.

- i) Strategic Plan Members asked about the Strategic Plan. The Principal reported he had met with the new Chief Executive of Dorset Council and agreed the strategies should be

inter linked. The council is trying to prepare for September. ***Resolved that the working group will meet in September to start things moving.*** Louise Matthews expressed an interest in joining the group. (Group Members agreed Feb 2019 – Richard Noah, Andy Matthews, Jenny Stiling, Rod Davis, Lyn Bourne, Jane Nicklen, Nigel Evans)

### **Report from Student Governors**

52/2019 with the absence of the student governors, no report was available. Members noted that both student governors had now left the College and were therefore no longer eligible to fulfil the role of Student Governor. An election would take place in the autumn term of the new Academic year.

### **Principal's Report**

53/2019 The Principal presented a written report available on the GVO. The following items were highlighted and further discussed:

- End of Term Review meetings. The end of term meetings are nearing completion and The Principal was pleased to report indications were for very high achievements for classroom based provision. The Apprenticeship Review was held earlier in the day and Rod Davis as link governor, reported a striking difference with considerable progress made, performance is good, but legacy impact will continue to affect us. He reported how it was heartening to see such positive progress and volume from a business perspective. We know where we are, with the right leadership and groundwork. The Principal was able to confirm we are below tolerance level for Minimum Levels of Performance (MLP), however one student could influence the figure but we are constantly monitoring the position. Members noted that the MLP is not used during inspection, Inspectors look at year on year trends and national averages but the QAR will be impacted by legacy.

- LEP Funding

Motor Vehicle provision The Principal confirmed a successful bid of £250k from the LEP and gave an overview of building works that will take place over the summer to enable the College to offer the new provision to include electric and hybrid vehicles.

Other LEP Funding Opportunities The Principal reported on recent meetings of the LEP Skills Board and an opportunity to access £1.5 million of funding available through an underspend from the Pipeline Projects. This funding is being made available through the Skills Board, and ratified by the LEP Board, to be spent by March 2021. Earlier this year, the College was involved in preparing a stage 1 proposal for a virtual construction skills hub for Dorset, funded through this route. This had received some support and the proposal was circulated to the LEP Skills Board members. Unfortunately due to the ill health of the officer from the LEP, the proposal was not considered but left in abeyance. In recent days, communications from the LEP indicate a change in the criteria for allocation of the funds available with a suggested allocation to all three colleges based on 16-18 student numbers. The Principal had made a strong response stating the unfairness of this approach, and when and to whom previous allocations were made. Members suggested that the issues of social mobility and lack of strategic input be fed back and the LEP asked how the formulae was agreed.

- Gas Test Centres In addition, the College had planned to develop gas test centres, however the Principal highlighted the risks of over stretching ourselves, both financially and practically at this time.

After discussion and further consideration, it was agreed we could include the gas and electric testing as part of a construction themed LEP bid for capital funding rather than progress the original plans within the TU bid. The business case for further funding opportunity has a tight timescale, detail of the bid needs to be agreed soon, before the LEP Board

- Office for Students

Members noted that the College had received a HE Data Audit. As a result, the data was cleared for latest 3 years , but issues were raised over the 2013/14 and 2014/15 years.. At that time, the HE picture was mixed and there are no staff members still here from that time. We are hopeful that approval will be given at the forthcoming Registration Committee otherwise we wait until or until September, and we cannot enrol our students. At present, the college is under notification of intention not to register and we are preparing to send a final letter appealing the situation. The Principal assured members everything possible is being done and the College is co-operating with all requests from the OfS. Members asked to be kept updated by email.

### **Annual Report on Safeguarding and the Prevent Duty**

54/2019 Members received a first draft report, which was unfortunately incomplete due to technical difficulties with the College's reporting tools. It was agreed therefore to defer this item until the next meeting when a more complete report would be available.

### **Financial Report**

55/2019 The Board received the following reports, previously circulated via the GVO.

#### **i) R010 presentation**

The Principal presented the R010 report, a copy of the presentation is on the GVO. He emphasised that the 16 – 18 under recruitment impacted next year, with the lagged funding model. However there has not been much overall change since the last report, and there is one Princes Trust cohort still to start. Members noted:

- Learning Support projected at £113,850.
- Adult skills remain a concern and it is important to ensure in future we match the delivery plan as well as the budget.
- Apprenticeships are on plan and the Business Development Manager is implementing recruiting strategies.
- Introduction of a new slide to show apprentices monthly starts which will help build trend data.
- Advanced learner loans, another area where plan did not match the budget. With only 60.8% of the facility being used. The impact is cash and it is difficult to encourage adults as they are not funded now but have to take out loans. Members asked about the impact next year's adult education budget.

#### **ii) P10 Financial Report**

Members received the P10 report available on the GVO, it had been recently reviewed by the Audit Finance Committee and not further discussed.

#### **Audit Finance Committee Meeting 18 June 2019**

56/2019 Members received the Minutes of the Meeting held on 18 June 2019. The following items were also available on the GVO and recommended for approval by the Board.

- i) Internal Audit Plan – The plan was received and approved. Members noted the flexibility available within the individual audit programme and the proposed return to 25 days to enable an auditor's opinion to be provided.
- ii) Audit planning Letter – Members received and agreed the plan from Moore Stephens, External Auditors, and noted the costs were retained the same as the previous two years.
- iii) Risk Management – The Director of Finance reported he had been working with Joanne George on a new format, splitting strategic and operational risks, taking a more dynamic approach. The first draft will be available for the next Committee meeting.

*Lyn Bourne left the meeting*

#### **Budget and Financial Plan 2019 - 2020**

57/2019 Members received and considered the budget and financial plan for approval, prior to submission to the ESFA by the end of July 2019. The Director of Finance identified the College as being on a journey, a gradual improvement to Good financial health. We continue to receive regular monthly meetings and monitoring by the ESFA.

Members were asked to consider the budget and financial direction as presented, working towards keeping a sustainable solvent college. The following areas were further discussed:

Pay Costs – a key concern externally, currently at 71% against a 65% benchmark, if trading areas are discounted, it brings this to 67%. However, this will be reviewed further, the College does not outsource anything.

Budget 2019 – 20 the £400k refinancing income has a major effect on cash, but the crucial measure is EBITDAR. TU Minimum was 880k. The Paper proposes no pay award, if it is included we see EBITDAR drop dramatically and our financial health drop to inadequate in year. There are tensions and conflicts with the emphasis on ensuring we are in a position to repay our loan repayment when it becomes due. Ensuring our income profile, proposed growth and the cashflow to meet the TU marker to ensure we keep £300k in bank for 3 months in the 12 month term.

The possible deferral of test centres has helped to improve the cashflow and consideration is being given to including this as part B of the LEP bid.

Current Position –Members felt it crucial to emphasise in ongoing discussions with the ESFA that the College was always open in identifying where we are, of our position and what we needed from our TU Application. Unfortunately, we didn't get what we needed or what we asked for. Low social mobility was mentioned again, if we have no money we can't provide for our students. Members identified if we behave like an independent provider, you raise revenue, and manage costs. Simplistic but not easy, where could we raise our revenue? Costs are already tightly managed. Financial Health is a key measure but we are looking at two years of inadequate with gradual improvement, which may not be acceptable.

The Board were clear we want to be optimistic but err on safety, keeping sight of borrowing as percentage of income. We look at levy on apprenticeships various opportunities such as improving the Adult Education Budget and any opportunities for growth and using local intelligence. Members asked Is there an approach? A successful college needs a commercial view, whilst not knocking ours, its capitalising on opportunities. We have seen the benefit of sales people. Need to review as part of our future strategy.

Members noted the forthcoming meeting with the ESFA, thanked colleagues for an honest report and financial view.

**RESOLVED** to approve in principle, the budget and financial direction as presented, with possible one year as inadequate financial health. Members agreed to receive the final budget figures, as they will be submitted to the ESFA through uploading to the GVO for further comment. Following consideration of any comments received, the Chair, as recorded on the GVO will give the final authorisation for the submission.

*Note to the minutes* – The waiver letter from AIB bank was received on 16 July 2019, confirming no action on breach of covenants.

### **Weyco and Redlands Merger**

58/2019 The Board received and considered the “Legal Due Diligence Report – Merger of Trading Subsidiaries”, previously circulated and available on the GVO.

Members further considered and discussed:

1. Two governance issues identified in the Due Diligence Report:
  - i) Redlands Articles - Change of Objects. Redlands company objects enable the provision of sport and leisure facilities for the benefit of the public in Weymouth, on a not for profit basis. The Board received and considered a revised document to change Redlands objects to enable the College after the merger to use the Redlands facilities for *ancillary purposes* during the holidays and such activity may be on a for-profit basis.

**RESOLVED** to approve the revised company objects, proposed by Richard Noah, all in favour. no abstentions.

- ii) Three members of Redlands are also Directors of Weyco and therefore the Board of the College as sole member, passed a special resolution to effect the proposed changed to the Articles.

**RESOLVED** to waive the conflicts of interest arising From Richard Noah, Nigel Evans and Jenny Stiling being Directors of both Redlands and Weyco, to enable them to participate in discussion on the Merger. Proposed by Rosie Darkin-Miller, All in favour. no abstentions.

2. Commercial Issues  
Members noted and agreed that all rental and hire purchase agreements currently with Redlands should be transferred to Weyco and the College Insurers are to be notified of the Merger.
3. Consent of the College for the Merger

In consideration of previous discussions and Board approvals. It was **RESOLVED** to give formal consent for the merger of Redlands with Weyco, with the Board of the College as sole

member and as per the documentation provided by the College solicitors. Proposed by Richard Noah, all in favour, no abstentions.

4. Property

The Board noted that there was currently an underlease on the property issued by the College to the Redlands Company. After consideration of the proposed options, identified in the report, it was **RESOLVED** to confirm the surrender of the underlease in advance of the merger date leaving the College retaining responsibility for the running and maintenance of the property as is current reality. Solicitors would be asked to inform the Council as recommended.

Proposed by Richard Noah, all in favour, no abstentions.

5. Employment and Pensions

Members understood that following the acquisition of Redlands by Weyco, staff would become employees of Weyco. Both companies are wholly owned subsidiaries of the College and the College manages the Redlands staff. Therefore, a report on the profile of the workforce was not requested or produced.

Members were assured that staff will transfer to Weyco under TUPE and a letter will be sent informing staff of the change of identity of employer. Staff would be transferred on their current terms and conditions and this includes continuation of their pension arrangements through membership of the NEST Scheme.

*The meeting was adjourned to enable the signing of relevant documents required to execute the transfer with effect from 31 July 2019.*

## **Governance Items**

59/2019

i) Search Committee Meeting – The Chair gave a verbal report on a meeting of the Search Committee held prior to the Board Meeting.

Members noted that the Committee:

- Accepted a draft self-evaluation report against the 10 items from the Code for English Colleges. This would be circulated to members for further comment via the GVO and used to develop an action/development plan for the Board.
- Received the draft Attendance Report for 2018-19 which would be circulated to members once the attendance for the July meeting was updated. Provisional outcome of 78% for the Board against their 75% target.

ii) Board Membership – The Search Committee recommended to the Board:

- a further year as an Associate Member for Jenny Stiling and a second term of office for Andy Matthews and Rosie Darkin-Miller.
- That a note on the attendance report be posted to authorise the absence for Steve Webb working overseas during the last year. This will provide a more accurate percentage attendance. Members noted that Steve's position should improve from September 2019.

RESOLVED to confirm:

- an additional year for Jenny Stiling as an Associate Member from 11 July 2019

- a second term for Andy Matthews and Rosle Darkin-Miller - 4 years from 31 October 2019 – 30 October 2023

Proposed by the Search Committee, all in favour.

- iii) Dates of Meetings 2019-2020 – the list of dates for meetings in 2019-2020 were confirmed.

### **Any Other Business**

60/2019

- Members noted the Vice Chair will be attending the LEP consultation on the local Industrial Strategy on 23 July 2019 and discussed matters for her to put forward.
- Members thanked Jenny Stiling for her hospitality and offered best wishes on her birthday.

### **Date of Next Meeting**

61/2019

- i) The next meeting was confirmed as 1 October 2019 (changed from 8 October to enable participation in an inspection briefing on staff development day. Daytime timetables to follow.
- ii) Stone King/RSM Insolvency Toolkit Training Session (4 p.m.) and Board photographs (3 p.m.) on 17 September 2019

### **Confidentiality**

62/2019 There were no matters identified as confidential.

Signed \_\_\_\_\_ Chair

1 October 2019