

SOUTH THAMES COLLEGES GROUP CORPORATION

Minutes of Corporation Meeting 13 November 2018 held at Carshalton College, Nightingale Road, and Carshalton. SM5 2EJ

(All resolutions passed were the unanimous decision of the Governors present unless otherwise stated)

Meeting Title	Corporation	
Date	13 November 2018	
Members	Mr G. Allen – Chair Dr. J Brumwell Mr T. Byrne-Price Mr D. Cheema Mr R. Foulston Cllr B. Fraser Mr E. Gilbert Ms S. Gordon	Mr J. Hick Dr J. McSherry Mr P. Mayhew-Smith - Group Principal / CEO Mr N. Ratnavel Dr C. Wilks Mr G Willett
In Attendance	Mr R. Greenaway Ms S. Horrell Mrs H. Meredith	- Deputy CEO - Vice-Principal, Business and Student Services - Head of Governance
Key Meeting Outcomes		
	<p>APOLOGIES Apologies were received from Mr Azah, Mr Bristow, Ms Driver, Mr Hossain and Ms J. Murphy. Apologies were also received from the Principals of Kingston College and South Thames College who normally attend Corporation meetings.</p> <p>DECLARATION OF INTEREST Interests previously declared by Governors were noted. Governors confirmed that they did not have any other new pecuniary or other interest in any item on the agenda.</p>	
1.	STRATEGIC PLAN 2018-21	
1.1	The Group Principal presented the latest version of the draft Strategic Plan which had been revised to incorporate the strategic direction agreed by the Corporation on 9 th October 2018. The Corporation had found the first draft of the plan too inward looking and asked the Group Principal to revise this.	
1.2	<p>Governors discussed the distance already travelled by the Group post-merger and the journey still needed to enable the institution to become financially stable and resilient noting:</p> <ul style="list-style-type: none"> the progress made since merger in terms of quality improvement - need to sustain that improvement and be ambitious for gold standard quality student outcomes resulting in well paid jobs for students; the need to rightsize the Group to become financially sustainable over the next 2-3 years so planting foundations for growth and money to invest in the colleges ; the current turmoil in the FE Sector with a number of colleges in financial difficulties and a number of recent resignations of College Principals; the need to keep sight of the bigger external picture and to remain on the front foot and remain innovative, brave and confident for our communities; That pursuing all available merger opportunities could result in real mission drift. The Group should only consider any further mergers which would result in improved outcomes for students; The aspiration that all four campuses should become destination colleges; The need to deliver equally well for our very large adult student body; 	

1.3

- Need to plan for increase in students with special educational needs and disabilities under the pan- London SEND review;
- Need for a comprehensive curriculum review.

Suggested changes to the draft Plan included:

- Seven purposes / six targets felt over complicated but issues such as inclusion need to be kept in the Plan;
- More work needed on the Mission to make this memorable; scope to move to even plainer language. E.g. “To improve the futures of all our students and partners”, or “To strengthen our area’s future by helping our students and partners to succeed” or “we deliver great achievement progression and outcomes” Staff, students, partners and the public should be able immediately to understand and remember the Mission.
- More work needed on the Vision E.g. bring together vision and seven purposes into one Vision and add another paragraph “*we will demonstrate this by doing*”
- Include more reference to connection to needs of *local* students/ communities;
- Remove the financial detail from the Plan – reduce this to the need “to build a financially sustainable college” with aspirational goal to reach positive cashflow by end of year 3 of the Plan;
- Make clear the purpose of any estate disposals to put the college into a financially sustainable position;
- Include some filters for any future merger proposals.

1.4

It was **resolved** that the Group Principal will bring a final version incorporating this input and input from staff consultations to the December Corporation meeting for approval.

2.

GOVERNOR TRAINING SESSION – THE ESSENTIALS OF RISK MANAGEMENT FOR GOVERNORS

A Governor training session was led by Mike Cheetham of RSM, internal auditors for the Group. In advance Governors had received the following documents for pre-reading :

- STCG Board Assurance and Risk Management Policy
- STCG Risk Register
- RSM Board Assurance Toolkit for FE Colleges
- RSM Further Education Risk Management Report 2018.

Mr. Cheetham presented a PowerPoint – slides to be circulated to governors following the training – based on the STCG Board Assurance Framework with examples in the slides from the STCG Risk Register.

The Group Risk Register includes the cause and effect to enable governors to work out what is needed to reduce the risk or mitigate the impact of this. The college and governors need to identify risks correctly so as to put the right controls and mitigation in place.

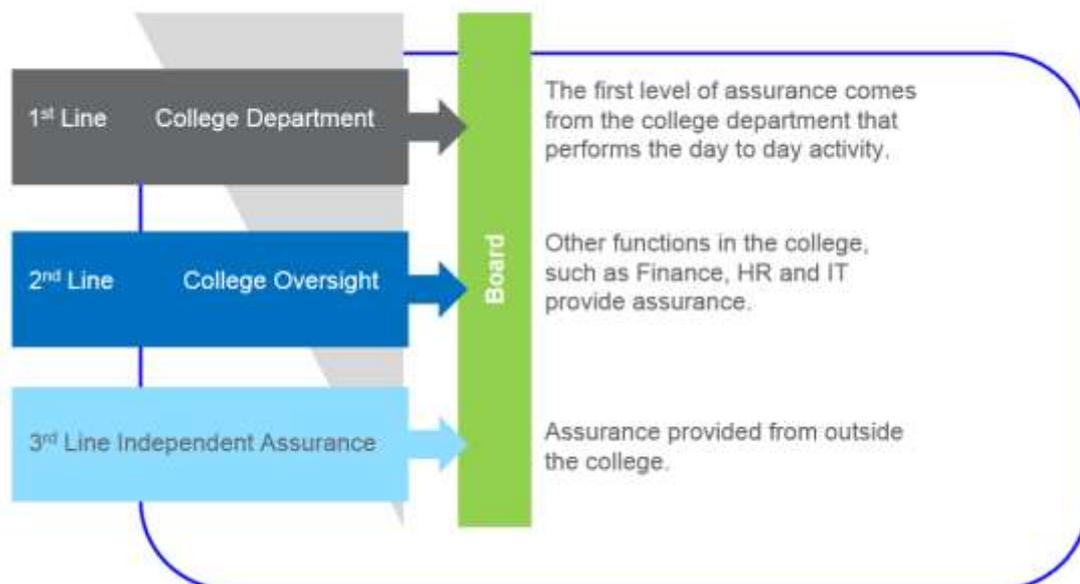
The Group Board Assurance framework provides evidence/ confidence / certainty to people across the organization that what you think is happening is happening.

Assurance:	
Provides:	Confidence / evidence / certainty
To:	Managers / the Principal (as Accounting Officer) / Board Members (individually and collectively)
That:	That which needs to be done is being done

The regulatory requirement for this comes from the Post-16 Audit Code of Practice- Clauses 16-19. The Group Audit Committee advises the Board on the Assurance Framework.

Mr. Cheetham advised governors to ask for further action to be taken if the Risk Register indicates that a risk remains a red risk after mitigation.

In practice there are 3 lines (sources) of assurance as shown below:



Mr. Cheetham advised that governors should take the greatest assurance from the third line of independent assurance E.g. internal and external auditors, Ofsted, Health and Safety Executive audits and that if no independent assurance is shown on the Risk Register governors should seek some independent assurance.

The Corporation have overarching responsibility with operational responsibility for managing the risks delegated to the Principal and GLT.

The Group Audit Committee has delegated responsibility to the other Corporation Committees for oversight of how management are managing risks that sit within the purview of their committee's Terms of Reference allocated to each of the committees.

The Audit Committee should place trust in the Committees doing their job by reviewing their minutes or asking for any risks to be investigated further E.g. by the Internal Auditors.

Governors asked what to do if particular risks remain red. Mr. Cheetham suggested that the Committee Chairs or the Chair of Corporation could discuss concerns with the Internal Auditors. Mr. Cheetham reminded governors of the new insolvency regime being introduced for colleges next year and of their responsibility to ensure that they exercise sufficient scrutiny to carry out their collective responsibility to ensure the solvency of the Group.

Governors asked for a report on the College Insolvency Regime for the next Search and Governance Committee, FPR Committee or the December Corporation meeting.

Mr. Cheetham thought that the current process in place at STCG for risk management is good and gave the following key messages:

- Be confident that you have identified the right strategic risks;
- Audit Committee to maintain oversight, but not manage the process;
- Don't over complicate the process.

Mr. Cheetham left the meeting at 8:15pm

3. REPORT OF OCTOBER 2018 CONFERENCE AND MINUTES OF CORPORATION MEETING OF 9 OCTOBER 2018 AND MATTERS ARISING

3.1 Accuracy. The minutes and report were accepted as an accurate record and signed by the Chair.

3.2	Matters arising			
	The following updates were noted from the action log from the last meeting:			
	July 2018 Management Accounts to be circulated to all governors following the meeting.	HoG	Oct 2018	Actioned
	Group Principal or Chair to sign the Governor Declaration forming part of the Annual Accountability Return to be submitted to the OFS	PMS / GA	Dec 2018	Actioned
4.	SUPPLY CHAIN FEES AND CHARGES POLICY 2018-19			
4.1	The Vice-Principal, Business and Student Services presented the Policy for approval explaining to governors about the background to the College's previous relationship with each of the proposed partners, with STC having worked with the majority over a number of years.			
4.2	The Paper included an extract from the AEB funding rules, the Group's Policy and contractual arrangements that the Group utilises to ensure it complies with the requirements set out by the ESFA and the ESFA funding conditions with when entering into sub-contracting arrangements.			
4.3	Governors asked a series of questions challenging the process undertaken by the Group to carry out a careful and appropriate level of detailed due diligence on its partners. In response the Vice-Principal confirmed the name of the manager who renews this work annually and the evidence maintained by the college of the due diligence findings.			
4.4	Governors asked for assurance about the level of risk attached to sub-contracting noting that ESFA recognise this as a high risk area. In response the Deputy CEO advised governors that an internal audit on subcontracting will take place later this year. Governors asked that as part of the review the internal auditors should also review the Group's due diligence work in relation to the subcontractors. The Deputy CEO also advised governors that the Group has just gone through an ESFA Learner Numbers Audit.			
4.5	Governors asked why the level of sub-contracting is increasing when the College's long term goal is to stop subcontracting. The Group Principal explained that the Principal of STC has been working on a plan to bring more of the Adult Education work in house. Unfortunately he was unwell at the time of the meeting and unable to provide detail of these plans to governors.			
4.6	Governors asked whether all the subcontractors are subject to Ofsted inspection and the Vice-Principal confirmed that they are. Governors asked what minimum standard is required by the Group of its subcontractors and the Group Principal confirmed that all sub-contractors need to have achieved a Good or better grade on Ofsted inspection.			
4.7	It was resolved to approve the following on the basis that the due diligence has been done on these partners and that the Group should require its sub-contractors to provide monthly or quarterly management accounts;			
	<ol style="list-style-type: none"> 1) That the Group can enter into sub-contract arrangements with the organisations set out in the report; 2) the Supply Chain Policy on Fees and Charges for 2018-19 and, 3) that the Finance Planning and Resources Committee should continue to receive termly reports on the performance of sub-contractors and the sub-contracting arrangements set out in this report. 			
	The Open Business of the meeting closed at 8.40 pm and was followed by a Confidential Session.			
	Signed:..... Date:.....			
Action points		Who	Deadline	Signed off
1.	Strategic Plan to be presented to Corporation for approval after taking into account input from governors and consultation with staff	PM-S	11 Dec 18	Item 3 Corporation Meeting 11 Dec 18
2.	Slides to be circulated to governors following the training	HM	11 Dec 18	Attached
3.	Governors to be sent briefing on College insolvency regime	HM /RG	11 Dec 18	Attached to papers Corpn 11/12/18
4.	Group to add a requirement to Supply Chain Contract for subcontractors to provide monthly /quarterly management accounts	AS/ SH	End Nov 2018	
5.	IA of subcontracting should also review the College's due diligence work in relation to the subcontractors	RG	2019	