

South Staffordshire College



BOARD OF GOVERNORS

Minutes of the meeting held on 10 December 2020

PRESENT:

Steve Burgin (Chair)) External Governors
Tim Legge)
Andrew Elsby-Smith) Governor present following minute 199
David Isteed)
Tony McGovern) Governor departed following minute 251
Andrea Chilton)
Helen Simpson)
Mike Rowley)
Philip Atkins) Governor departed following minute 211
Claire Boliver	Chief Executive & Principal (CEP)
Nicki Truman	Staff Governor (Business Support)
Katy Buxton	Student Governor
Adam Stamps	Student Governor

In attendance:

Kirk Hookham	Deputy Chief Executive
John Snow	Deputy Principal - Finance & Resources
Kim Vaughan	Assistant Principal – Learner Services
Karen Turley	Assistant Principal – Quality
Karen O'Reilly	Assistant Principal – HR
Miranda Hughes	Clerk to the Corporation

PART 1

WELCOME & APOLOGIES FOR ABSENCE

180 The Chair welcomed the student governors to their first Board meeting.

181 Apologies were received from Steve Oliver and Phil Tapp.

APPOINTMENT OF STUDENT GOVERNORS

182 **Resolved** that Katy Buxton and Adam Stamps be appointed as governors in the student category until their successors are appointed or they leave the College, whichever is the sooner.

DECLARATION OF INTERESTS

183 Helen Simpson & Mike Rowley declared an interest under minute 241-243.

SAFEGUARDING UPDATE

184 As part of the Board's oversight in this vital area, the Assistant Principal for Learner Services/Designated Safeguarding Lead (DSL), together with the Link Governor for Safeguarding, provided an update on safeguarding matters prior to the submission of the Term One Safeguarding Report at the

March 2021 meeting, which specifically related to the support given to learners with regard to mental health and the management of anxieties in response to the physical return to College during the COVID-19 pandemic. The DSL advised that the situation was monitored very closely and as such, students were referred swiftly should it become apparent that additional support was required. Confirmation was received that the self-referral process was working well. Nothing of further significance was reported.

185 The Link Governor for Safeguarding reminded the Board of the importance of pastoral support when looking at staffing and associated responsibilities and that a duty of care must be applied, in addition to the duty of teaching responsibilities.

HEALTH & SAFETY

Update following the October Board

186 The Deputy Principal – Finance & Resources updated the Board on Health & Safety matters, where no issues were reported. He advised governors that risk management work continued to be undertaken with regard to the ongoing management of the health and safety in relation to COVID-19 (*also reported under minute 255*).

Health & Safety Strategy 2020-25

187 Following the November Strategy Event, the College Health & Safety Strategy was received by the Board. The strategy was underpinned by the following framework of objectives:

- Leadership Commitment: We demonstrate our commitment to Safety, Health and the Environment through active, visible and consistent leadership.
- Resource and Training: A systematic approach to people development is in place. Awareness and capabilities of colleagues and learners has advanced.
- Policy and Arrangements: Colleagues, learners, partners and visitors understand roles and responsibilities. Policies, procedures and guidance are appropriate to College activities and available to stakeholders.
- Communication and Engagement: South Staffordshire College encourages participation of colleagues, learners, partners and visitors. Positive behaviours are recognised and encouraged.
- Management System: A framework for safety, health and environmental management has been provided.

188 In response to a question relating to the actions that supported the Strategy, confirmation was received that timescales would be spread appropriately to ensure that actions would be completed within the five-year period, subject to regular review at the Health and Safety Committee and a bi-annual review of the Board, in addition to the Annual Health & Safety Report.

189 **Resolved** that the Health & Safety Strategy 2020-25 be approved.

CYBERSECURITY UPDATE

190 The Committee received an update on cybersecurity by the Deputy Principal, where details relating to the ongoing management of the sustained DDoS (Distributed Denial of Service) attack were shared. Detail related to the enhanced support and service received from Jisc, the College internet provider, was also provided. Confirmation was received that that the matter had been reported to the National Crime Agency's National Cyber Crime Unit (NCCU) who were also monitoring the College network. The Board were advised that, at the time of the meeting, there had been no security breach of the College network or loss of information. The Deputy Principal stated that evidence was as being compiled in order to bring the matter to a close. A further update would be provided at the next meeting.

REOPENING UPDATE

191 Further to the update provided at the October 2020 Board meeting, governors were reminded of the range of measures and actions in place to ensure staff and students could work and study safely by reducing the likelihood of COVID-19 transmission. The following information was highlighted:

- Bubbled groups continued to be in place, with delivery for English and maths learners split 50/50 in class and online.
- Hand sanitisers remained in place in addition to, where applicable, one-way systems.

- Welcome Duty and Mid-Day Patrols continued to ensure safety measures were upheld, in line with government guidance.
- As at 10 December 2020, it was reported that 138 instances members of staff and 543 instances of learners overall had been directly or indirectly affected by COVID-19 which had resulted in self-isolation.
- As at 10 December 2020, 8 members of staff and 53 learners were self-isolating.
- Despite disruption to most curriculum areas, confirmation was received that, as at 10 December 2020, there had been no significant impact in headline data:
 - Students on track – 98.1%
 - Right Choice Tutorials completed – 98%
 - Attendance – just over 91%
 - Retention – 98.2%
- Face-to-face teaching would end on 17 December, in line with DfE requirements.

192 On behalf of the Board, the Chair congratulated all College staff in the successful navigation of the College through the health pandemic.

PRINCIPAL'S REPORT

193 The Board received the Principal's report which was intended to enable the CEP to highlight key developments with reference to each of the College's strategic objectives and to report on key strategic issues affecting the College. Particular attention was drawn to the following areas:

Increase participation

- At the time of writing the report, enrolment for 16-18 year olds stood at 2,481 against an Education and Skills Funding Agency (ESFA) funded allocation of 2,261 and a profiled number of 2,323.
- An in-year growth case would be submitted to the ESFA to fund the additional student enrolments that had exceeded the College 16-18 ESFA funding allocations with the outcome likely to be communicated in the New Year.
- The recruitment of adult learners continued to take place with a number of new programmes scheduled to begin from 2021. Following confirmation of the Level 3 programmes that could be offered to 19+ learners, a marketing campaign would be publicised as soon as possible to do so.
- Apprentices remained the main risk to achieving funding targets, with a slower than usual start to the financial year. The reluctance of employers to take on new apprentices made this a challenging year for the entirety of the FE sector. Despite this, the College was working hard to drive up recruitment which had resulted in an increased number of vacancies being advertised.
- At the time of the meeting, Higher Education (HE) enrolment stood at 128, which equated to £439k against a revised target of £300k. A new HE strategy was being developed in light of the new strategic partnership with Wolverhampton University.
- In light of the health pandemic, October open events were arranged as bookable events to manage safety, in line with government guidelines. Virtual events would be held for course areas with staff in self-isolation in order to ensure customer service was upheld. It was reported that all events were well attended, with an adult open event scheduled in January 2021 in order to grow applications further.

Current priorities for this objective:

- *Recruit adults to January start programmes to ensure the funding target is achieved*
- *Recruit 16-18-year-old students early for 2021-22 intake*

Deliver outstanding teaching, learning and business services

(Reported under the College SAR and Teaching & Learning Report)

Current priorities for this objective:

- *To provide teachers with support from digital learning technologist's with 'live' online learning*
- *Target online virtual learning walks*
- *Support all new teaching staff with a Teaching and Learning Coach*
- *To closely monitor learner attendance and engagement in ASPIRE meetings and set actions*

- *To reinforce the new Quality Monitoring and Improvement process for 2020-21, focusing on the new ABC standards procedure and Learners at Risk procedure*
- *Set actions from the Induction Survey and 'Go Out and Listen' where areas for improvement are identified*

Deliver excellence

Current priorities for this objective:

- *To ensure achievement is maximised for learners who have not completed 2019-20 qualifications*
- *Assessment schedules to be reflective of changes to practical's against original planning.*
- *To ensure register compliance remained at 99.6%+ compliance*
- *Increase HE offer through validation process from January 2021*
- *Ensure that funding allocations are continually reviewed within AEB and ACL allocations*
- *New Higher Education Strategy being written (first iteration to Deputy Principal in November 2020)*
- *Curriculum Planning and timelines with validation boards set (validation in New Year)*

Develop a highly engaged and skilled workforce

Current priorities for this objective:

- *To complete the review the learning support areas in terms of pay*
- *To continue to resolve the situation with UNISON and agree the Business Support contracts and other outstanding policies*
- *To run training sessions for our managers on performance management and absence management.*

Achieve financial stability and improve efficiency

(Reported on under Management Accounts to 31 October 2020 and Draft Financial Forecast)

Current priorities for this objective:

- *Closely monitor income and expenditure against the Financial Plan for Faculties.*
- *Work to ensure that the ESFA Condition grant is spent in a timely fashion*
- *Continue to monitor pay and non-pay costs across the College and ensure that further costs are avoided and savings identified*

Other updates

Capital Investment (Condition Improvement Fund)

194 The CEP confirmed that the expectation from the ESFA was that the £835,405 Condition Improvement Funds awarded to the College over the summer for capital investment were to be spent by March 2021, however governors received confirmation that an extension to this timeframe had been sought and as such, a revised date of September 2021 had been confirmed.

Capital Investment (Digital Hubs)

195 Governors received confirmation that, on 9 December, the formal approval for funding from the Stoke and Staffordshire LEP for Digital Hubs at both Cannock and Tamworth campuses had been received, with funding to be spent by March 2021.

Spending review

196 Governors noted that despite spending decisions announced in the December Government spending review were only for 12 months, there were a number of funding increases and opportunities communicated, specifically regarding 16-19 growth in 2021-22. Confirmation was received that further details would follow in due course.

Colleges of the Future

197 Attention was drawn to the publication of the final overarching report and subsequent nation-specific reports, circulated to governors in November, that set out recommendations for reform and renewal of the college systems with important implications for colleges and their respective governments. A summary of the report was provided where the CEP advised that the sector anticipated that many of the key recommendations within the report would be contained in the Government White Paper, due to be published in the New Year.

Reform of Level 3 Qualifications Post 16

198 Governors were given a progress update on the second stage of the review of post-16 qualifications at level 3 and below in England. The CEP went on to advise that a consultation exercise for level 2 qualifications and below would be undertaken thereafter, which in turn would have a far-reaching impact on colleges and those who did not choose to offer T Levels.

ESFA Update

199 Following the publication of the Dame Mary Ney Report, it was announced that, from February 2021, annual strategic conversations would take place with providers, in conjunction with the ESFA and the FE Commissioner's team as a vehicle to hear directly from colleges about their successful initiatives as well as discussing risks, challenges and possible solutions. The CEP, together with the Board, welcomed the opportunity to expand the forum of support offered to the sector.

COLLEGE VISION 2025

200 The CEP updated the Board with regard to the work undertaken to develop and refine the College Vision 2025 following the review undertaken at the Board of Governors' Strategy Event held in November. The Strategic Objectives were confirmed as:

- SO1 – Increase Participation
- SO2 – Deliver Outstanding Teaching, Learning, Assessment and Business Services
- SO3 – Deliver Excellence
- SO4 – Deliver a Highly Engaged and Skilled Workforce
- SO5 – Achieve Financial Sustainability and Improve Efficiency

201 The subject of whether SO3 was in fact an additional quality-related measure to that of SO2 was discussed in detail. As such, it was determined that SO3 be refocused specifically to that of a curriculum-related measure. With this in mind, the Board went on to discuss the importance of ensuring that all KPIs accurately reflected each strategic objective.

202 Resolved

1. that SO3 be renamed 'Deliver Curriculum – Deliver a Responsive Curriculum that meets Local, Regional and National Needs'.
2. that all KPIs accurately reflect each strategic objective.
3. that an updated document be submitted to the March 2021 Board for further discussion.

KPIs

203 The KPIs report for 2020-21 was presented, which comprised of both dashboard screenshots and national average data. The Deputy Chief Executive drew attention to the following areas:

- Given the challenges presented during the autumn term of 2020-21, the RAG rated column against all indicators illustrated that 90% of measurements were either green or amber, of which 72% had a RAG rating of green, which therefore indicated that trends were above the profiled position for the period ended November 2020.
- The percentage of total Apprenticeship funding stood below the period profiled target which was largely as a result of the second lockdown, COVID Tier 3 status and worsened economic outlook. Despite the difficulties associated with securing new vacancies from employers to the level originally forecast, confirmation was received that, since the time of writing the report, the total

funding had increased from £1.301m to £1.373m. The Deputy Chief Executive also confirmed that, in addition to this, a total of approximately £300k of potential Achievement funding was also linked to this figure.

- The percentage of Staff Observed stood behind the period profiled target due to the challenges and risk associated with conducting formal lesson observations, given the restrictions placed upon movement across between classes and campus in light of the pandemic. Confirmation was received that despite this virtual learning walks were nevertheless taking place.
- Linked to the abovementioned point, confirmation was received that the KPI relating to the timely completion of probation periods stood behind target due to the fact that a formal lesson observation must be undertaken prior to sign off.

QUALITY IMPROVEMENT PLAN (QIP)

204 The Assistant Principal - Quality presented the final version of the 2019-20 College QIP to the Board, reviewed in advance of the meeting by the Quality Recovery Group. Attention was drawn to the following:

- Teaching, learning and assessment had seen improvement in 2019-20: 84% of sessions were rated good or better, before intervention compared with 76.1% in 2018-19.
- Achievement for 16-18 year olds had improved from 82.4% in 2018-19 to 85.8% in 2019-20, which was reported to be above national figures.
- Achievement in High Needs stood at 87.3%, and as such had improved by 4% when compared with the previous academic year and above national average.
- Learners made good progress in English and maths.
- Apprenticeship Achievement, whilst significantly impacted by COVID-19, required further improvement. Confirmation was received that Overall Achievement stood at 61.3%: a decline of -15.4% on the previous year of 76.7% but only -3.4% on the 2019-20 national average of 64.7%.
- It was confirmed that whilst previous achievement gaps had closed, new achievement gaps had arisen and as such, work would be done to drive forward improvements in those areas.
- Whilst attendance has improved, confirmation was received that work to achieve the College KPI of 90% would continue.

205 The 2020-21 document would be presented at the next meeting of the Quality Recovery Group for comment, in advance of the March 2021 Board meeting.

206 **Resolved** that the 2019-20 Quality Improvement Plan approved.

2019-20 COLLEGE SELF-ASSESSMENT REPORT (SAR)

207 The updated College SAR, which incorporated the proposed grade for the academic year 2019-20, was presented to the Board for consideration and approval. The report identified key strengths and areas for improvement of the College and proposed a self-assessment grade of 2 (Good). It was confirmed that areas for further improvement would be detailed and subsequently addressed in the 2020-21 QIP. The Assistant Principal - Quality thanked the Quality Recovery Group for their valuable feedback following a robust review of the draft document initially presented at its November 2020 meeting.

208 A member of the Quality Recovery Group endorsed the grade proposed within the document and stated that, owing to the implementation of a wide variety of strategies which resulted in improvements to the quality of the student experience illustrated within the report, the proposed grade was an accurate reflection of the College's position, particularly regarding leadership, management and pastoral support. She went on to advise governors that the key areas of focus remained the further improvement in performance of English and maths and resolving the remaining curriculum inconsistencies. The governor stated that additional assurance could be taken with regard to learner progress, retention and notably attendance, which therefore illustrated that the College was on a trajectory of improvement. The Chair thanked the governor for her useful contribution.

209 In response to a question relating to the timing of the next Ofsted inspection, the Assistant Principal advised that only monitoring and quality assurance visits will commence from January 2021 only, will full inspections to scheduled commence from the summer term.

210 **Resolved** that the 2019-20 Self-Assessment Report and self-assessed grade of 2 be approved.

TEACHING & LEARNING REPORT

211 A teaching and learning update was received reviewed in advance of the meeting by the Quality Recovery Group. The following information was highlighted:

- The Development of Teaching, Learning and Assessment Procedure for 2020-22 had launched to both managers and staff, with a greater focus upon learning walks and the learner experience.
- A total of 52 learning walks were completed in September 2020 which identified 92% confidence in the implementation of safety and learners' behaviours and attitudes, and 100% confidence in the inclusion of all learners and career options.
- Re-observations had been undertaken in October 2020 for eight members of staff requiring follow-up observations in 2019-20 which had resulted in improvements for 75% of those observed to either Meets or Sharing Best Practice. Further development would be required for the remaining 25% and as such, confirmation was received that this group of staff had entered the performance management process. Follow-up observations were yet to be undertaken for the remaining four staff members who were unable to be observed.
- A successful Virtual CPD day was held on 20 October 2020 where staff took part in a range of training sessions and shared best practice.
- Talking Shop, a new staff led initiative, designed to share best practice across College sites, had commenced which had been received very positively.

LANDBASED SSA3 UPDATE

212 An update detailing the work undertaken to uplift performance within SSA3 was provided by the Assistant Principal – Quality, reviewed in advance of the meeting by the Quality Recovery Group. The following information was highlighted:

- Retention in SSA3 improved by 3% at 86.9%, although, it remained an area of focus for 20-21 given that the results were 5.1% below national rates.
- Overall Achievement rates in SSA3 improved by 4.5% at 82.8%, which was confirmed as 3.2% below national average data for 2019-20.
- Achievement for 16-18 learners improved by 6.1% at 83.3%, which was confirmed as above the national average by 0.2%.
- Both level 1 and level 2 animal care improved retention and achievement.
- Attendance had improved by 0.6% in 2019-20 and was reported to be above the College KPI of 90% as at the end of October 2020, which illustrated positive in-year attendance for animal care at 92.2% and landbased courses at 94.5%.
- One member of staff reported to be in performance management due to failing to meet expected teaching, learning and assessment standards.
- Confirmation was received that the area was now fully staffed following the appointment of five new members of teaching staff and a Curriculum Manager, all of which were being supported by the Quality Team, to give them the best chance of success.
- Timetabling plans had been effectively delivered and Right Choice interviews completed in a timely manner.
- The area continued to hold intervention status and as such, the focus would be placed upon driving forward improvements relating to examination performance.

213 Governors stated that they were pleased to receive detail of the improvements within SSA3 and went on to question the point at which it would be lifted out of intervention. The Assistant Principal advised that in order for this to be achieved, target grades must be uplifted, and performance sustained.

214 In response to a query relating to the curriculum offer within the area, confirmation was received that the curriculum had been redefined for 2019-20 to industry standard and exam practices, which in turn resulted in higher synoptic examination performance than the national average. The Assistant Principal advised that examinations were undertaken in February 2020 and as such, Centre Assessed Grading, imposed as a consequence of the COVID-19 pandemic, did not contribute to performance as learners had already sat their examinations prior to this being introduced.

LEARNER INVOLVEMENT UPDATE

215 The Board received an update on learner involvement, reviewed in advance of the meeting by the Quality Recovery Group. The Assistant Principal – Quality reported that a new learner involvement procedure had been implemented from September 2020 which included the introduction of Campus Council's and a management Go Out and Listen (GOAL) initiative to address early concerns feedback.

216 The findings of the Learner Induction Survey, completed at the end of October 2020, were also shared, where it was confirmed that a total of 2,248 learners had completed the survey, which equated to an 85% response rate, which in turn exceeded the KPI by 5%. The Assistant Principal went on to advise that the survey showed positive distance travelled in every question asked of learners, with 96% agreeing with the statement 'I would recommend the college to a friend'. Confirmation was received that this result fell within the Quartile A category and was +11% on external benchmarks.

217 Governors congratulated the Executive Leadership Team for the positive Learner Induction Survey findings and thanked all staff involved.

GENDER PAY REPORT 2019-20

218 The Assistant Principal – HR presented the 2019-20 Gender Pay Report to the Board where a mean difference of 10.94% and a median of 8.18% was reported. Confirmation was received that, since 2017, the College had closed the mean gap by 2.56% and the median by 7.62%.

219 In response to a question relating to the financial impact of the staff pay realignment to gender pay for 2020-21, the Assistant Principal advised that, whilst the College would wish to reduce the percentage differences, most male employees were paid at the higher levels which in turn disproportionately affected the percentage of representation. Confirmation was received that the data presented was in alignment with the most colleges within the sector as a whole and what reduced the overall mean percentage for 2019-20 was as a result of the employment of a higher number of males than the previous year. As such, she stated that the positive changes to pay at the lower levels following the pay realignment would help reduce the gap but not resolve it entirely.

220 **Resolved** that the 2019-20 Gender Pay Report be approved and published on both the College website and Government portal.

EQUALITY & DIVERSITY ANNUAL REPORT

221 The Board received the Annual Equality and Diversity Report along with an Action Plan which evidenced the key priorities for the College.

222 With regard to the map of learner locations detailed within the report, a governor questioned if there was an opportunity for the number of distance learners to be increased. The Assistant Principal – Learner Services advised that, with the exception of those students funded by the West Midlands Combined Authority (WMCA), there were no geographical boundaries which prevented students being eligible for funding, provided that they resided in the United Kingdom. That being said, she advised that 16-18 learners were nevertheless expected to undertake a proportion of learning on site and as such, location was naturally determined by the distance by which each learner can travel. Confirmation was received that the distance learning offer had been expanded to attract higher volumes of students, with a particular focus on both future employability and qualifications that could be achieved during the course of the pandemic.

223 A governor queried if the 4% non-white population matched the local demographic. Confirmation was received that the non-white population of the College was slightly higher than the demographic in South Staffordshire. The Board were advised however that the last Census took place in 2011 and therefore numbers are likely to have increased in some areas since that time.

224 A governor asked a question regarding to the level at which the Board were satisfied that learners' could recognise 'someone like me' when studying at the College. From the information presented, governors expressed no concerns and agreed that this was a useful question to ask when reviewing the impact and achievement of the College's equality and diversity ambition.

225 As a means by which to attract additional learners from wider geographical locations, a student governor queried if the College had considered reducing transport costs. The governor was thanked for his question however, confirmation was received that College transport was already heavily subsidised and as such was not in a position to reduce costs beyond that of which it currently offered.

226 **Resolved** that the Equality and Diversity Annual Report be approved.

MINUTES

Board

227 **Resolved** that the minutes of the meeting held on 22 October 2020 be approved as a true and accurate record.

228 With reference to business rates referred to under minute 152, the subject of rates' liability was discussed and the professional support regarding Ratable Value. The Deputy Principal – Finance & Resources advised that this area was reviewed every 3-4 years in order to establish if efficiencies can be made. Despite this, he advised that, as an FE institution, the College presently benefitted from 80% relief and that the College had recently explored the opportunity to persuade its local authorities to exercise their discretion on the remaining 20% charge.

Action Grid

229 The Board reviewed the action grid, noting actions completed and amending dates as appropriate to be carried forward to the next version.

Governance & Search Committee

230 The minutes of the meetings held on 19 November and 3 December were received. Governors received an update regarding ongoing governor recruitment activity and governor succession planning.

Audit Committee

231 The Committee Chair reported in detail the business considered at the Audit Committee meeting held on 25 November 2020. The following matters were highlighted:

- Neither auditor had any issues to raise with the Committee in private.
- It was resolved that, in light of recent cybersecurity disturbance, the College internet provider contract be reviewed.
- It was determined that, to accommodate an additional assurance review of the in HR and Safeguarding, the Internal Audit Schedule for 2020-21 be updated.
- The findings of the externally commissioned review of learner numbers were to be circulated to the Committee ahead of the next Committee meeting and shared with the Board updated accordingly.
- The findings of the assurance review of procurement resulted in an assessment of 'Limited Assurance' with one 'Urgent', four 'Important' and three 'Routine' recommendations which led to full and robust discussions which included the dates by which recommendations would be completed.
- It was resolved that the 2019-20 Risk Management Report be updated to include additional detail in relation to bank covenant compliance in advance of the December Board meeting.
- It was resolved that the Committee's Annual Report for 2019-20 be approved for submission to the Board.
- Regarding the review of the financial statements audit, the External Auditor advised that the 2019-20 audit process had been positive and went on to advise that there remained a few matters still to be clarified as was usual at this time of year and that an unqualified opinion was expected to be issued with no issues of concern to bring to the attention of the Committee. One medium priority internal control recommendation had been issued which related to the strengthening of internal control or enhancement of business efficiency in relation to the reconciliation of asset values between the asset register and the financial accounts.
- It was resolved that, subject to no material changes to the financial statements during the process of finalisation, the Board be recommended to approve the 2019-20 financial statements and the letter of representation.
- It was resolved that the Board be recommended to approve the IT Acceptable Use Policy and the process of appointment for the 2020-21 financial statements auditor.

Quality Improvement Group

232 The minutes of the meeting held on 26 November 2020 were received. The Chair of the Quality Recovery Group commented that many of the points discussed during the Board meeting had previously been covered at length at the latest meeting of the task group (illustrated within the minutes). He drew attention to the importance of recent student feedback, with specific emphasis on the Learner Induction Survey, GOAL initiative and Learner Voice as a means to triangulate Board level information. Additionally, he confirmed that the major focus of meetings continued to remain upon English and maths and landbased provision, advising that issues were being addressed to produce a more positive picture and as a consequence, positive impact could be demonstrated. Finally, he praised all College staff for the support given to students in upholding teaching and learning throughout the course of the public health emergency.

Finance Improvement Group

233 The minutes of the meeting held on 2 December 2020 were received together with the Group's recommendation with regard to the 2019-20 Financial Statements. Governors were advised that subsequent issues arisen following the meeting would be discussed during the course of the Board meeting (*referred to under minute 274-284*). The Chair of the Group reported that the additional major areas of focus of centred upon the Management Accounts to 31 October 2020 and the fundamental matter of covenant compliance given the implications of the November financial reforecast, which saw the College operating surplus drop from a £10k surplus to a £580k deficit as a consequence of the impacts of COVID-19 and the uncertainty over additional in-year ESFA growth funding as the College.

Remuneration Committee

234 The Committee Chair introduced the minutes of the first Remuneration Committee, held on 3 December 2020 and reported that performance setting processes were in place for Senior Post Holders (SPHs) had been set and the draft report of the Committee reviewed and approved in submission to Board. Additionally, confirmation was received that the affordability of a 1.5% pay increase for SPHs was robustly discussed, which took into account the fundamental principle of affordability and overall financial position of the College. Whilst Committee recognised the exceptional performance of the leadership team, it was determined that that the decision was to be postponed until the point at which the in-year growth case funding outcome was communicated by the ESFA. Confirmation was received that any increase in pay for SPHs would be subject to the same decision being reached by the Board for the whole of the College workforce.

FINANCIAL STATEMENTS AND REGULARITY AUDITOR'S REPORT

235 The Financial Statements and Regularity Auditor's Audit Completion Report was received, reviewed in advance of the meeting by the Audit Committee. Matters outstanding when the draft report had been submitted to the Audit Committee had now been largely resolved, with the final 2019-20 outturn in line with year-end forecast outturn. The Deputy Principal stated that the auditor made one medium priority internal control recommendation that the College is to strengthen internal control or enhance business efficiency with regard to the reconciliation of asset values between the asset register and the financial accounts. Confirmation was received that the matter had been discussed with the financial statements auditors and the variance reduced with further work to be carried out to close the gap entirely by February 2021. Governors were advised that, since the time of writing the report, additional issues had come to light that were likely to influence the accounts presentation (*referred to under minute 274-284*). The report also contained the auditor's Letters of Representation, which required Board approval (*referred to under minute 238-239*).

236 Confirmation was received that minor errors identified within the report would be addressed by the external auditors.

237 **Resolved** that the minor errors identified within the Financial Statements and Regularity Auditor's Report be rectified.

FINANCIAL STATEMENTS FOR 2019-20 AND AUDITOR'S LETTERS OF REPRESENTATION

238 The revised Financial Statements for 2019-20, including the Auditor's Letters of Representation were received where the final position showed an operating deficit of £199k, which was reported to be in line with the July forecast outturn, reviewed in advance of the meeting by the Audit Committee and Finance Improvement Group. The College had changed its accounting policy in respect of the treatment of capital

grants and, whilst the change had resulted in approximately £400k per year of restated capital grant income moving forward, profit and loss reserves reflected a negative impact of approximately £12m, and therefore classified as previously released grant. Since the time of writing, the Deputy Principal – Finance & Resources stated additional issues had come to light with regard to covenant compliance and as such, the Board took the decision not to approve the Financial Statements and Auditors Letters of Representation as it was anticipated that the approval, signing and submission could be organised in January, in line with the extended ESFA submission deadline of 31 January 2021 (*referred to under minute 274-284*).

239 Resolved

1. that the Financial Statements for 2019-20 not be approved.
2. that the Auditor's Letters of Representation not be approved.
3. that the approval, signing and submission of the 2019-20 Financial Statements and Letters of Representation be organised to take place in January 2021, in line with the extended ESFA submission deadline.

ANNUAL REPORT OF THE AUDIT COMMITTEE

240 The Audit Committee's Annual Report was received which summarised the work of the Committee and the outcomes of audits during the 2019-20 academic year. Specific reference had been made in the report to the external auditor's one medium priority internal control recommendation and associated deadline for completion that the College is to strengthen internal control or enhance business efficiency with regard to the reconciliation of asset values between the asset register and the financial accounts, referred to under minute 235 above.

(Clerk's Note: The Audit Committee's Annual Report for 2019-20 has been updated in light of additional issues had come to light that were likely to influence the accounts presentation. The updated report was re-submitted for consideration to the next available meeting of the Audit Committee and Board.)

APPOINTMENT OF THE FINANCIAL STATEMENTS AUDITOR 2020-21

(Helen Simpson and Mike Rowley withdrew from the meeting for this item)

241 The Deputy Principal presented a report which detailed a process by which to appoint the College External Auditor, covering all key details and timescales of the procurement and tender process, reviewed and recommended for approval by the Audit Committee in advance of the meeting. Governors were reminded that the contract for external audit services was originally scheduled to be re-tendered in advance of the 2019-20 external audit, however, in light of the circumstances surrounding COVID-19, the Corporation had taken the decision to retain the services of Mazars, the current firm, for a further year, with a view to undertake a full re-tendering exercise in 2020-21.

242 The proposed selection criteria that was to be used in order to conduct the shortlisting exercise was discussed at length by governors, particularly with regard to the categories of Locality and Experience. On the subject of Locality, the Deputy Principal clarified that the College sought to appoint an experienced firm with a national reputation, which also held an office within the geographical location of the College. In response to a question related to the objective measurement of the Experience category, confirmation was received that firms would demonstrate a proven track record within FE via the submission of CVs of their key staff members. Value for money was also discussed. The Deputy Principal went on to state that the specification would be updated accordingly to fully articulate the abovementioned points, also incorporating an additional category entitled Value for Money.

243 **Resolved** that, subject to the amendments detailed within minute 242, the process of appointment for the 2020-21 financial statements auditor be approved.

MANAGEMENT ACCOUNTS TO 31 OCTOBER 2020

244 The Board received the Management Accounts to 31 October 2020, presented in a revised format and reviewed in advance of the meeting by the Finance Improvement Group. The operating position detailed within the document presented showed a deficit position of £67k against a profiled deficit of £39k. A summary of the key financial headlines included:

- An in-year growth case would be submitted to the ESFA to fund the additional student enrolments that had exceeded the College 16-18 ESFA funding allocations to the sum of £1m, dependent upon national affordability.
- Pay expenditure was running ahead of budget levels with a particular concern around delivery costs specifically with regard to teaching and cleaning staff costs response to the extra 16-18 learners and additional COVID-19 related cleaning requirements.
- Non-pay costs were reported to be below budget overall with underspends in Premises, Exams and Other Income Generating Activities; offset by a £32k cost for COVID-19 cleaning products and PPE. Governors were advised that, although some of these costs were one-off costs, further ongoing costs would be accumulated as the pandemic continued.
- Apprentices remained the main risk to achieving funding targets, with a slower than usual start to the financial year. Governors were advised that the reluctance of employers to take on new apprentices, owing to the economic downturn, would make 2020-21 a challenging year and as such, the College forecast would be reduced in the November reforecast.
- Particular concern was reported around transport income, with learners attending roughly half of their planned days in College and as such, refunds have had to be given which would proportionally see transport income fall by the same factor. Confirmation was received that changes would be made to routes in January 2021 to make some cost savings in this area.
- Cash balances continued stood at approximately £6m, which was reported to be significantly ahead of forecast.

245 Following a review of the cashflow forecast, a governor asked if cash balances would have dropped to within the College asset reserve at its lowest level in March 2021, had the sale of assets on the Rodbaston site not occurred. Confirmation was received that sufficient reserves would have been in place to enable the College to operate regardless of whether the proceeds from the sale had taken place.

246 A governor questioned if high cash balances would be taken into account by the ESFA in determining level of additional in-year funding awarded should the 16-18 growth case be successful. Both the CEP and Deputy Principal responded by stating that cash balance levels would not normally be one of the criteria evaluated.

247 The decline in catering income was observed and discussed. As such, a governor queried if there was opportunity built into the College's existing contract to enable additional funds to be received in the event that the operator utilised the government Job Retention Scheme. It was confirmed that although there was little flexibility within the contract, dialogue with the operator had nevertheless taken place regarding cost saving exercises. Governors were advised that, owing to the health pandemic, the College had seen a decline in individuals using catering facilities, which included those learners eligible Free School Meals.

Financial Reforecast Following the First Quarter

248 The draft revised forecast for 2020-21 was presented, previously reviewed in detail by the Finance Improvement Group, which showed, without any mitigation, a £580,000 reduction in surplus before interest, tax, depreciation and amortisation due in the main to increased teaching costs and further reductions in the apprenticeship target. The measure was used because operating surplus comparisons were blurred by the introduction of capital grant amortisation income at this level. It was reported that, with the introduction of capital grants to the forecast, operating surplus fell from £10k to a deficit of £211k. The following information was highlighted:

- Apprenticeship income is cut further after a slow start to the year. The forecast was reduced to £2.35m in the budget and it is now cut further to £2.2m. At the time of the meeting, generated values for the full year stood at nearly £2m.
- £200,000 of additional ESFA funding is received relating to 16-18 Tuition Fee activities and the 19+ Catch Up fund.
- Due to stronger than expected HE enrolments the forecast had increased from £300k to £400k.
- Adult Learner Loan allocation has been increased by the ESFA to cope with increased demand and as such the forecast had increased from £611k to £650k.
- Pay costs were reported to be running approximately £500k higher than expected. This is predominantly in delivery areas where departments were trying to cope with additional learners. Cleaning costs had also increased due to the additional COVID-19 cleaning measures put into place. Confirmation was received that the revised pay forecast included a proposed pay award, paid as from January 2021 to the sum of approximately £150k.
- Non-pay costs were reported to be generally in line with expectations.

249 The additional and essential costs incurred as a direct consequence of COVID-19 were discussed. Governors agreed that the forecast be updated to fully reflect the worsening of the College's financial position due to the pandemic.

250 **Resolved** that the financial reforecast be updated to fully articulate the worsening of the College's financial position due to the pandemic.

251 The financial implications together with the likelihood of receiving additional in-year 16-18 growth funding from the ESFA was discussed at length by the Group. Confirmation was received that regular and ongoing discussions with ESFA to outline the College's position with regard to the additional 16-18 enrolments would continue.

RISK MANAGEMENT

Annual Risk Management Report

252 The Risk Management Annual Report for 2019-20 was received and noted by the Board, which set out the key areas of assurance available for the assessment of risk management. These included:

- Achievement of business targets;
- Internal and external audit reports;
- Risk management processes;
- Fraud risk;
- Regularity assessments; and
- Policy framework and other factors.

253 It was confirmed that a review of the report had taken place at the November 2020 Audit Committee, where it was resolved that the report be updated to include additional detail in relation to bank covenant compliance in advance of the December Board meeting. Confirmation was received that the document had been updated accordingly.

Risk Register and Action plan

254 The Board received the Risk Register and Action Plan, reviewed in advance of the meeting by the Audit Committee; where the 19 key business risks facing the College spread across its five strategic objectives, based on financial impact, reputational impact, and impact on learners were discussed along with associated trend analysis. Attention was drawn to the inclusion of an additional risk which related to crisis management issues which also incorporated loss of services or attack/terrorism incident; added following discussions of the College Risk Management Group.

COVID-19 Risk Register and Action plan

255 The Board received and noted the COVID-19 Risk-Register and Action Plan, reviewed in advance of the meeting by the Audit Committee. The Deputy Principal advised that the graphs linked to each risk gave an indication of whether a risk had increased or decreased, specifically with regard to increased infection rates in the region.

GOVERNORS' SELF ASSESSMENT REPORT 2019-20

256 The Governance SAR, which incorporated the proposed grade for the academic year 2019-20, was presented to the Board, recommended for approval in advance of the meeting by the Governance & Search Committee. The Clerk reported that, in addition to conclusions following external evaluation, the SAR process incorporated the findings of the recent Board self-assessment exercise which had been based on a range of activities including individual governor reviews, a review of the Board's overall performance including that of the Chair, a review of committee effectiveness and also an analysis of the AoCs Code of Good Governance for English Colleges. The Clerk advised that its aim was to contribute to the leadership and management section of the overall College self-assessment and to also allow reflection on what worked well and how the Board could move from Good to Outstanding.

257 A governor observed that, within Section Five of the document, a greater level of evaluation was required in order for the key strengths of governance be fully articulated.

258 **Resolved** that, subject to the amendments specified under minute 257, the 2019-20 Governance SAR be approved.

COLLEGE SEAL

259 The Clerk reported the use of the College Seal for the purposes executing the deeds in relation to:

- the sale of house numbers 6 and 7 on Rodbaston Drive;
- the sale of the land to the rear of 139 Rodbaston Drive; and
- the overage transfer on former College property on the north side of Progress Drive, Cannock.

POLICY APPROVALS

260 The Board received the following new and revised policies that were due for approval:

- i. IT User Policy
- ii. Adoption Pay & Leave Policy & Procedure
- iii. Bereavement & Pay Policy & Procedure
- iv. Emergency Care Leave Policy & Procedure
- v. Maternity Pay & Leave Policy & Procedure
- vi. Parental Bereavement Leave Policy & Procedure
- vii. Parental Leave Policy
- viii. Paternity Pay & Leave Policy
- ix. Shared Parental Leave Pay & Policy

261 Governors were advised of any material changes to the policies, including feedback from unions where appropriate. Equality Impact Assessment (EIA) analysis had been reviewed by a member of the Board in advance of the meeting with records shared within the electronic Governors' Area for reference.

262 With regard to the EIA for the IT User Policy, a governor noted the language used within the wording of the document and as such, queried how the College would convey the information in a student friendly manner. In response to this, it was agreed that a separate, student facing policy would be produced, reviewed in advance of full Board consideration by the student governors.

263 **Resolved** that a student-facing IT user policy be produced and reviewed in advance of full Board consideration by the student governors.

264 It was observed that one of the three unions were yet to comment on the Paternity Leave Policy and as such, the Assistant Principal – HR was asked if the revised policy had any implications on particular protected characteristics. In response, confirmation was received that the remaining two unions had agreed on the policy following the exact same consultation process and that the policy would not have any impact on individuals with protected characteristics. She also confirmed that, when compared to the previous version, the new policy offered improved terms and conditions and enhanced pay. If the event that subsequent changes were requested, the document would be brought back to Board for consideration and the EIA updated accordingly.

265 A question was raised with regard to whether the enhanced rates of pay associated with the policies would be brought to the attention of staff, following approval. Confirmation was received that the full list of benefits associated with the updated policies would be shared with employees via staff communications and the staff intranet.

266 **Resolved** that the policies be approved.

ANY OTHER BUSINESS

267 On behalf of the Board, the Chair commended the leadership team for their hard work, resilience and tenacity throughout the health pandemic.

ETF Staff Governor Conference

268 Feedback was received from Nicki Truman on behalf of both staff governors following their attendance at the ETF Staff Governor Conference on 4 December 2020. The Board were pleased to note that both staff governors found the event valuable, with assurance that, in terms of staff governor involvement, decision-making and transparency, best practice was being upheld at the College.

AoC Student Governor Induction

269 Feedback was received from student governors following their attendance at the AoC Student Governor Induction event, held on 9 December 2020. Both governors advised that the external event, held in addition to their internal induction, was very valuable and informative. Both governors felt well supported in their role and at College.

270 On behalf of the Board, the Chair thanked the staff and student governors for the valuable feedback.

DATE OF NEXT MEETING

9am, Friday 12 February 2021

Chair

Date