

# South Staffordshire College



## BOARD OF GOVERNORS Minutes of the virtual meeting held on 9 July 2021 9.00am to 12.00pm

### PRESENT:

Steve Burgin (Chair)	) External Governors
Tim Legge <i>Departed following minute 607</i>	)
Andrew Elsby-Smith	)
David Istead	)
Andrea Chilton	)
Helen Simpson	)
Mike Rowley	)
Tony McGovern <i>Present following minute 529</i>	)
Claire Boliver	Chief Executive & Principal (CEP)
Nicki Truman	Staff Governor (Business Support)
Steve Oliver	Staff Governor (Teaching)
(Attendance 79%)	

### *In attendance:*

Yvonne Bradshaw	Term of Office as External Governor to commence from 2021-22
Mary Mellor	Clerkship appointment to commence from 19 July 2021
Kirk Hookham	Deputy Chief Executive
John Snow	Deputy Principal - Finance & Resources
Kim Vaughan	Assistant Principal – Learner Services
Karen Turley	Assistant Principal – Quality & Curriculum
Karen O'Reilly	Assistant Principal – HR
Miranda Hughes	Clerk to the Corporation

## PART 1

### WELCOME & APOLOGIES FOR ABSENCE

528 Apologies were received from Gail Steptoe-Warren, Philip Atkins & Dipal Patel.

529 The Chair warmly welcomed Mary Mellor to her first meeting and on behalf of the Board and wished Dipal Patel good health as she recovered from COVID-19.

### DECLARATION OF INTERESTS

530 None.

### SAFEGUARDING TERM TWO REPORT

531 In addition to the safeguarding updates provided at each full Board meeting, the Assistant Principal – Learner Services/Designated Safeguarding Lead (DSL) presented the Term Two report to the Board for consideration, which provided detail related to the number of child protection, safeguarding and mentoring referrals made to the College's Safeguarding Team during term one of the 2020-21 academic year. The

report also detailed the PREVENT Risk Assessment. The support provided by the College was shared with attention also drawn to the following:

- At the time of the meeting, retention statistics maintained at 92% for safeguarding and at 93% for mentored learners.
- There was a 38% increase in the number of Safeguarding referrals and an increase of 37.5% referrals to mentoring compared to 2019-20, these were largely attributed to mental health, self-harm, suicidal tendencies, domestic violence and online abuse. It was reported that many of these issues had been exacerbated by lockdown and the anxieties associated with COVID-19.
- All staff undertook safeguarding and Prevent training annually.
- The DSL and the lead governor for Safeguarding communicated on a regular and ongoing basis throughout the year.
- The statutory guidance entitled Keeping Children Safe in Education (KCSIE), had been expanded to include further detail related to sexual violence and sexual harassment. The DSL outlined the College processes in place at the time of the meeting in order to provide assurance to governors regarding the support available to learners affected by such circumstances.

532 The Safeguarding Governor reported on the findings following a visit to Looked After Children (LACs) provision at both the Tamworth and Rodbaston campuses in May and June 2021. He advised of the positive impact of the College upon the students in preparing them for their future. The Chair stated that the visit signified the fundamental importance of the College's Careers not Courses approach to achieve its purpose of Transforming People's Lives. The Mentors and Learning Support Assistants (LSAs) were commended for their work in this area.

533 **Resolved** that the term two safeguarding report for 2020-21 be approved.

## **HEALTH & SAFETY**

534 The Deputy Principal – Finance & Resources updated the Board on Health & Safety matters. No incidents were reported. He went on to state that, in light of the rising number of COVID-19 cases in Staffordshire reported at the time of the meeting, one-way systems, hand sanitisation stations, increased ventilation and all previously communicated COVID-safe measures would be in place, which also included face coverings in classrooms as well as in communal and corridor spaces.

## **CYBERSECURITY**

535 The Board received a report on cybersecurity from the Deputy Principal, reviewed in advance of the meeting by the Audit Committee. It was confirmed that whilst the College had suffered some short downtimes due to cyber security issues, it had not suffered any losses of data or financial losses. Particular attention was drawn to the following:

- The education sector had been subject to a number of attacks following the Christmas break.
- A significant amount of work had been undertaken to ensure the College was robustly protected against cyber attacks via:
  - continuous staff training regimes;
  - sharing best practice with the sector;
  - the manner in which both software and hardware was handled, examined and updated;
  - progress on the consolidation, removal and updates of College systems;
  - the launch of a new College website; and
  - the standardisation of two-factor authentication on Office 365 systems.
- At the time of the meeting, the College was in receipt of the Cyber Essentials standard and worked towards the Cyber Essentials+ standard. Within the next two years, it was reported that the College intended to achieve ISO27001: the international standard that covered the management of information security.
- A recent review undertaken by the Internal Auditor on ICT review of business continuity and disaster had received an outcome of Substantial Assurance which in turn provided external confidence of the College's work in this area.

536 The commercial value in the College publicly showcasing their excellence within this area was raised, following prior discussions at the Audit Committee. The Deputy Principal advised that, at the time of the meeting, the Director of IT was exploring future collaboration activities with a number of colleges within the

region. It was intended that the College be recognised as a leading college within this arena to enable best practice to be shared. The Board endorsed this approach.

537 Governors gave special thanks to the Director of IT for the work undertaken to protect the College within this area.

## COLLEGE VISION 2025

538 Governors were updated with regard to the work undertaken to develop and refine the College Vision 2025 following the Board's comprehensive and ongoing review undertaken throughout the course of the 2020-21 academic year. The final iteration of the document was presented, following the robust review of the document, along with refreshed KPIs, at the July Strategic Event and May Board meeting. Findings were also shared following consultation exercises which were included within the Equality Impact Assessment (EIA) that accompanied the document. The marketing activity following the document's approval was also discussed.

- Vision:
  - A first choice college
- Purpose:
  - Transforming people's lives
- Strategic Objectives:
  - Participation – *Be the first choice college by meeting the needs of local and regional priorities.*
  - Performance – *Inspire our learners to develop high quality skills leading to sustainable careers; driven by excellent teaching and business.*
  - Prosperity – *Remain a financially robust, sustainable and resilient organisation that can continue to develop and invest in its facilities, infrastructure and workforce.*
  - Provision – *Deliver demand led, well sequenced, high quality vocational, technical and professional skills in collaboration with others that lead to sustainable careers and employment.*
  - People – *High staff engagement through reward and recognition, development and health and wellbeing interventions.*
- Values:
  - Supportive
  - Transparent
  - Ambitious
  - Respectful
  - Sustainable
- Priorities:
  - Boosting the skills of the workforce at all levels; increasing the awareness of local employment opportunities particularly in the sectors of digital, health & care, STEM including advanced manufacturing, auto/aero and agristem and construction.
  - Increasing the employability and self-confidence of all individuals through effective careers education, skills development and raising aspirations.
  - Increasing opportunities for existing employees to improve and extend their skills.
  - Ensuring the content of education and training programmes reflects the needs of local employers.

539 **Resolved** that the College Vision 2025 and the accompanying KPIs be approved.

## CURRICULUM PLAN 2021-22

540 The Board received the Curriculum Plan for 2021-22, presented and subsequently reviewed at the governors' Strategic Event held in June.

541 **Resolved** that the Curriculum Plan for 2021-22 be approved.

## PRINCIPAL'S REPORT & HEALTH & WELLBEING UPDATE

542 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

- The CEP stated that Adult Education Budget (AEB) performance had tracked below allocation since the November lockdown. Confirmation was received that the 2020-21 ESFA AEB tolerance threshold had been reduced from 97% to 90%. Despite the decrease, the threshold was nevertheless reported to be high given the proportion of learning that had been completed in light of government COVID-19 restrictions in the 2020-21 academic year. Since the time of writing the report, the CEP advised that the gap between the worst-case predicted ESFA AEB financial exposure equated to a clawback of approximately £60k, from an estimated value of £100-120k reported at the May Board meeting, should the ESFA threshold remain a 90%.
- Confirmation was received that financial clawbacks related to WMCA AEB were not anticipated. At the time of the meeting, the CEP advised that the College had achieved approximately 91% of allocation.
- At the time of writing the report and when compared to the same point in the previous academic year, applications were up by 14.4% and offers both given and accepted were reported to have increased by 42.63% (572-579 *also refers*).

543 Whilst it was unanimously agreed that a second year of growth was extremely positive for the College, a governor enquired into the likelihood of the College being in receipt of a rush of additional applications closer to the beginning of the 2021-22 academic year. In response, the CEP advised that a further flurry of applications was likely and, in response to a follow up question related to whether the College held sufficient capacity in terms of both space and resource to accommodate all learners, confirmation was received that a) additional growth had been built into forecasting and b) class sizes had the capacity to be further increased by an additional 250-300 learners, without incurring significant additional costs. A lengthy discussion took place, whereby governors were advised that, as a result of staff utilisation based on the additional acceptances, staff recruitment activity had commenced in order to have resource in place prior to the new academic year. Contingency plans were also shared with the Board, should the College be in receipt of a further influx of students beyond 300.

544 Yvonne Bradshaw enquired into whether the College had an admissions policy and associated targets that sat behind the application data presented. Confirmation was received that both a policy and targets were in place, which also included targets for progression by curriculum area and by individual class.

545 With regard to student recruitment, a governor enquired into how successful the physical open days had performed compared with the online events. The Assistant Principal – Learner Services reported that the physical open days had proven to be significantly more successful in engaging prospective learners than the virtual events.

*Current priorities for this objective:*

- *Continue to recruit students for 2021-22 intake*
- *To enrol learners early to ensure they commit to the College*

### Deliver Outstanding Teaching, Learning & Business Services

*(Reported on under Teaching, Learning & Assessment)*

*Current priorities for this objective:*

- *To support Curriculum Managers with qualification adaptations*
- *To close teaching, learning and assessment action plans; conduct learning walks on any staff who have not received one and review processes for 2021-22*
- *To review and update a range of procedures for 2021-22*
- *Develop enrichment opportunities further for learners in 2021-22*
- *Deliver the migration training programme for Microsoft Teams*
- *Support quality improvement in apprenticeship provision*

- *Review QIPs for the end of term three*

## **Deliver Excellence**

*Current priorities for this objective:*

- *To maximise learner achievement*
- *To complete reviews of planned curriculum utilisation and review any staffing requirements for 2021-22*
- *To monitor recruitment across the curriculum areas and work with marketing to promote any provision with a low uptake*

## **Develop a Highly Engaged and Skilled Workforce (Health and Wellbeing of Staff)**

- The College had supported staff with the help of its Occupational Health Services and Health and Safety Manager to provide risk assessments, meetings around workplace stress and ill health terminations.
- Staff had appreciated the regular communications throughout the period and in particular the flexibility around when they could work. As a consequence, a Flexible Homeworking Policy had been developed and approved, which was reported to have improved mental health following the return to College sites.
- All staff members had been given the opportunity to train in mental health first aid which, when completed and passed, resulted in an additional day's holiday.
- One initiative that was received very positively was ME Days: a day that did not come out of holiday entitlement but nevertheless a day that staff could carry out activities that made them relax or feel good.
- Findings from the Staff Survey would be reported early in the 2021-22 academic year.

*Current priorities for this objective:*

- *To complete the task of distributing Business Support Contracts and getting them back in.*
- *To continue to plan the combined Staff Celebration and Wellbeing Day on Thursday 15 July to be held at Rodbaston.*
- *The HR system implementation is taking lots of time to set up, but we are confident that once built, the system will work well.*

## **Achieve financial stability and improve efficiency**

*(Reported on under Management Accounts to 31 May 2021 and Financial Plan and Annual Budget 2021-22)*

*Current priorities for this objective:*

- *Complete and submit the College budget and three-year forecast in the new College Financial Forecast Return (CFFR) format*
- *Closely monitor income and expenditure against the Financial Plan and closely scrutinise the curriculum plans for 2021/22, particularly delivery hours.*
- *Work to ensure that the ESFA Condition grant is spent in a timely fashion. There is around £300,000 which may be left unspent at the end of the financial year. The grant funding must be spent by the end of September 2021.*
- *Continue to monitor pay and non-pay costs across the College and ensure that further costs are avoided, and savings are identified.*
- *Financial work relating to the Tamworth Redevelopment*

## **COVID-19 Update**

546 The CEP updated the Board with regard to COVID-19 impact. At the time of writing the report, a total of 31 members of staff and 163 students were required to self-isolate at home, having been in contact with positive cases. Confirmation was received that, in light of the rising number of COVID-19 cases in Staffordshire reported at the time of the meeting, the leadership team felt it is necessary to advise students that they were not required to attend on site unless in order to complete assessments for their qualifications. Futures, ACL and Apprenticeship provision continued as normal. Whilst campus sites remained open, staff were invited to work from home on a rota basis, in agreement with respective line

managers. The CEP stated that government guidance would be followed, in addition to regional outbreak control guidelines, as the College progressed towards the 2021-22 academic year. The Board discussed COVID-19 case rates within the region, specifically in Tamworth, and endorsed the College approach. Governors wished all staff and students affected by COVID-19 good health.

### **Staff Celebration and Wellbeing Event**

547 The CEP announced that the Staff Celebration and Wellbeing Event scheduled for 15 July had been cancelled as a consequence of rising cases of COVID-19 in the region. As an alternative, staff awards would take place online on 15 July, live between 10.30-11.30am. A link would be circulated to members in due course.

### **Lichfield Site**

548 The CEP reported that members of the Traveller community had temporarily set up residency on the carpark at the Lichfield site on 28 June. An eviction notice had been served on 23 June and confirmation was received that the Travellers had since vacated the site on the evening of 29 June. To enable the COVID-19 testing centre activity to recommence, Lichfield District Council had deployed a team of staff to clean the area following their departure. A court hearing subsequently took place on 7 July to prevent their return for a period of three months via a court order. It was confirmed that the College received a favourable judgement. At the time of the meeting, confirmation was received that measures to enhance security at the site were being explored.

### **Other updates**

549 The Principal's Report also detailed a number of other important updates, related to capital investment, the Tamworth estate, Association of Colleges (AoC) priorities related to assumptions for COVID safety for September 2021, ESFA growth funding cases and the outcome following level three qualifications consultation with the Department for Education (DfE).

### **KPIs**

550 The updated 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:

- The percentage of total AEB, inclusive of WMCA, stood at 98%, which illustrated an increase since the May meeting.
- The Deputy Chief Executive reported that, assessor staff utilisation under Strategic Objective Four had been affected by the public health emergency and associated impact to the economic climate. However, it was reported that improvement within this area would be seen following an ease of government restrictions, combined with remedial work within the team to drive forward quality.

551 It was observed that Higher Education (HE) enrolment was particularly strong and as such was above the period profiled target. Governors were reminded that the original forecast had been reduced when compared with 2019-20 levels. HE provision was subsequently discussed, in particular the positive impact of the strategic partnership with Wolverhampton University.

### **LEARNER INVOLVEMENT**

552 The Assistant Principal – Quality provided an update on Learner Involvement, reviewed in advance of the meeting by the Quality Improvement Group. The following information was highlighted:

- Findings from the Learner On Programme Survey were reported to be positive, where 92% of learners agreed that they would recommend the College to a friend: 2% above College KPI and +5% on findings from 2019-20.
- All campuses scored in the highest quartiles with TORC and Cannock the most satisfied.
- All campuses exceeded the college KPI of 90%.
- FE and HE learners were reported to be very satisfied (majority A&B quartile) with Elected Home Educated (EHE) learners the least satisfied and as such it was reported that work was being undertaken by the College to gain further understanding behind this in order to uplift satisfaction moving forward.
- Whilst both 16-18 and 19+ learners scored in the highest quartiles with A's and B's, 16-18 were the most satisfied with six of the seven categories scoring within Quartile A.

- As a direct result of learner feedback, the College launched a programme of enrichment on Wednesday afternoons previously entitled Supporting Social Isolation and subsequently rebranded The Social Sessions; delivered by Progression Coaches. Governors were advised that the College had moved a number of sessions to a face-to-face environment, subject to government restrictions, which included a trip to Drayton Manor Theme Park. Confirmation was received that, via the feedback received, learners very much enjoyed the day.

## **TEACHING, LEARNING & ASSESSMENT (TLA)**

553 A report on TLA was received, reviewed in advance of the meeting by the Quality Improvement Group. Particular attention was drawn to the following:

- At the time of the meeting, confirmation was received that 91% of sessions following observations of 95% of staff, focused on the learner progress, were judged as Good or better.
- A total of 41 Probation Observations had been completed since September 2020, on 35 different staff of which four employees had been identified as not yet achieving the College standard at the time of the meeting and three employees had since left the organisation. The College continued to support the one remaining staff member.
- A successful CPD Day took place in May 2021 with a focus on bespoke training and upskilling. Headline data indicated that 90% of staff who responded to a follow up survey said that they had found the day useful. Too high?
- Some of the main focuses for term three included the closure of TLA action plans, to conduct learning walks on any staff who had not received one and review TLA processes for 21-22.
- Previously the College identified that only 81% of learners, when asked, could confidently articulate their progress. Following a review, it was reported that those learners who stated 'no confidence' were recorded in a session led by a member of staff that had been recommended to fail probation who had since resigned.
- A one-day external review of teaching, learning and assessment took place in April 2021 followed by a successful two-day peer review by Landex. Governors received confirmation that the outcome of both reviews was positive and the quality of education within landbased provision was found to be Good. The focus was to further develop provision to an area of excellence.

554 Discussions had at the June meeting of the Quality Improvement Group were drawn upon, related to probation observations. It was reported that the College strived to set standards of expectation that staff were expected to uphold. The support provided to staff was shared and governors were advised that probationers received significant support from the College, all of which was reflective of increased improvements in TLA and student satisfaction.

## **QUALITY OF APPRENTICESHIPS PROVISION**

555 The Board received an update related the quality of apprenticeships provision, reviewed in advance of the meeting by the Quality Improvement Group. Attention was drawn to the following:

- The Interim Director of Apprenticeships and Employer Engagement remained in post.
- Performance management processes continued with several members of the team, which was subsequently shared with the Board.
- Staff were forward populating calendars and as such had reduced from 431 apprentices without a forward planned review in January to 24 in June.
- Despite being within KPI target, overdue reviews had increased to 53 of which 22 had been completed but awaited External Quality Assurance (EQA) or End Point Assessments (EPA). National challenges related to EPAs were discussed.
- At the time of the meeting, Out of Funded apprentices (OOFs) had reduced from 233 in May to 176, which was representative of the team's sharp focus within this area of activity.

556 Further detail was requested related to the reduction in OOFs, where a question was raised regarding whether the number of withdrawals had increased to support the reduction. Confirmation was received that a minimal number of withdrawals had taken place. The management of this exercise was subsequently shared whereby a follow up question was asked related to target deadlines for such remedial work. The Assistant Principal – Quality & Curriculum advised that all OOFs were at different stages and as such, the reasoning for delays varied. Governors were reminded that in addition to the remedial work undertaken regarding quality, it could also be evidenced that a proportion of impact was owed to COVID-19 and the economic downturn associated with the public health emergency.

557 Further detail related to the marketing activities regarding the generation of increased apprenticeships income was requested. Confirmation was received that the College had developed an employer newsletter which had been distributed to all local employers and Chamber members in order to share a) the College offer and b) the partnership opportunities available. Additionally, at the time of the meeting, the Assistant Principal – Learner Services stated that all email signatures sent by all College employees contained an apprenticeship advertisement along with links to the associated financial incentives related to this area. Finally, in addition to sharing vacancies via social media platforms it was also confirmed that College had also ran a Spotlight On feature, sharing apprentice good news stories.

## ENGLISH & MATHS

558 The Board received an English and maths update, reviewed in advance of the meeting by the Quality Improvement Group. The following matters were highlighted:

- The Teacher Assessed Grade (TAG) process was now complete following several rounds of moderation and submission.
- Subject to ratification from awarding bodies, high grade data had increased in both English (from 24% 2019-20 to a predicted 34% in 2020-21) and maths (14% 2019-20 to a predicted 33.7% in 2020-21) which was confirmed to be marginally above national average. Further work would take place over the summer period to review learners progress scores which would in turn be fed into the College Self-Assessment.
- Significant improvement of AEB delivery from which resulted in an actual delivery of 410k against a 2020-21 target of 207k at the time of writing the report. Two online year groups had been created for 2020-21 and high grades had been predicted across both cohorts.
- At the time of writing the report, when exams continued to be sat, the Functional Skills (Functional Skills) pass rate stood at 76.29%, against a 2018-19 national average of 86.4%.
- At the time of writing the report and following TAG completion, attendance across English and maths was down by 1% from May at 81.2% (81.1% GCSE and 84.3% Functional Skills).
- At the time of the meeting, work to develop the English and math's strategy for 2021-22 was shared, with a focus on the way in which the College would use the Tuition Fund to support learners to make further progress.

559 An update was provided by the Assistant Principal – Quality & Curriculum regarding the work undertaken to award grades and qualifications to learners via TAG process, which included external verification by a local College within the region. Confirmation was received that the College successfully completed a robust and well verified process, which had led to the submission of all TAGs within the required deadlines. As part of quality assurance processes following the exercise, the College had been requested to submit samples of supporting evidence to awarding bodies and would continue to do so until 23 July. Liaison with the College would continue until 4 August in preparation for the release of results by 12 August.

560 The Board gave thanks and appreciation to the Assistant Principal and all Quality and Curriculum staff for their work in driving forward improvements in English and maths.

## MINUTES

### Board

561 **Resolved** that the minutes of the meeting held on 7 May 2021 be approved as a true and accurate record and signed by the Chair.

### Action Grid

562 The Board reviewed the action grid and noted that one item had been closed and the deadline for the one remaining action was not yet due.

### Governance & Search Committee

563 The minutes of the meeting held on 6 May 2021 were received. The Chair reminded governors that the business that had arisen following the meeting had been dealt with at the last Board meeting (*minute 471-474 refers*).



## **Audit Committee**

564 The Committee Chair reported in detail the business considered at the Audit Committee meeting held on 16 June 2021. The following matters were highlighted:

- The Committee welcomed Dipal Patel to her first meeting and gave thanks to Colin Horwath for his service to the College.
- Neither auditor had any issues to raise with the Committee in private.
- It was resolved that the Board be recommended to approve the Business Continuity Plans (*minute 590-592 refers*).
- The findings of the assurance review of Marketing resulted in an assessment of 'Reasonable Assurance' with one 'important' and two 'routine' recommendations.
- The findings of the ICT Review of Business Continuity and Disaster Recovery resulted in an assessment of 'Substantial Assurance' with two 'routine' recommendations.
- The findings of the Follow Up review of 2019-20 recommendations were reviewed which included the dates by which recommendations related to Procurement would be completed. The Committee anticipated that recommendations related to Procurement would be completed by the September meeting.
- The College Internal Audit Action Grid was reviewed, where there had been specific focus upon the remediation plan following the externally commissioned mock review of learner numbers. Funding and covenant risks were also scrutinised.
- It was resolved that the Board be recommended to approve the Internal Audit Strategy and Annual Audit Internal Plan for 2021-22 (*minute 581-582 refers*).
- A review of the College corporate and COVID-19 risk registers and associated action plans had taken place whereby the Committee resolved that updated commentary be provided related to risks on COVID-19, Apprentices and AEB.
- The Clerk presented a report which summarised a) the key changes following the publication of the 2020-21 Post 16 Audit Code of Practice (ACOP) and b) the revised Audit Committee Terms of Reference (ToR), which had been subsequently updated to reflect the 2020-21 document. It was resolved that the Board be recommended to approve the updated ToR as part of the annual review of the College Standing Orders at the beginning of the 2021-22 academic year.
- It was resolved that the Board be recommended to approve the re-appointment of the External Auditor for a three-year term, noting that the Audit Committee would consider the reappointment of the firm on an annual basis (*minute 583-587 refers*).
- The Clerk was thanked for her support and contributions to the Committee during her time in post.

565 The Chair thanked the Chair of the Audit Committee for the detailed update.

## **Finance Improvement Group**

566 The minutes of the meeting held on 17 June 2021 were received. The Chair of the Group reported that the major areas of focus centred upon Management Accounts to April 2021, the 2021-22 budget assumptions and covenant compliance; all of which were to be covered throughout the course of the Board meeting. It was reported that the main crux of discussions centred upon 16-18 growth in 2021-22 and, whilst it was unanimously agreed that a second year of growth was extremely positive for the College, a lengthy discussion took place particularly with regard to the impact this to the College given the ESFA lagged funding model in place at the time of the meeting.

## **June Strategy Event 2021**

567 The notes of the Board of Governors' Strategy Event held on 21 June 2021 were received and confirmed as a true and accurate record, noting that the job title of Marcus Roberts should state 'Director of Faculty – Landbased & Animal Zone'.

## **Quality Improvement Group**

568 The Chair of the Quality Recovery Group presented the minutes following the last meeting held on 30 June 2021 and 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 went on to state that the areas of focus included the quality of apprenticeships provision, the improvements in TLA and

landbased. As such, the Group congratulated College staff for their continued efforts in driving forward improvements within these areas.

## **MANAGEMENT ACCOUNTS TO 31 MAY 2021**

569 The Board received the management accounts to 31 May 2021. The operating position detailed within the document presented showed a surplus position of £179k against a forecasted profiled surplus of £13k. The following information was highlighted:

- Cash levels were reported to be ahead of forecast and stood at over £5.3m at May month end and £6m at June month end.
- The management accounts indicated that the College was in line to achieve the covenant requirements of its lending banks, which were now more comfortable given that Yorkshire Bank had confirmed that covenants would not be tested in the 2020-21 financial year.
- The College continued to meet with its lending banks monthly and would continue to review compliance within this important area.
- Strong 16-18 recruitment supported growth in 16-18 income in 2021-22. At the time of writing the report, the College had 2,516 enrolments against an internal target of 2,697 (-6.7%) and against an allocation of 2,261 (+11.3%).
- Pay expenditure was reported to be running ahead of budget levels by +6.1% with continued pressure on delivery costs:
  - Teaching staff costs had been reforecast higher due to the extra requirements of COVID “bubbling” and the additional full time 16-18 learners at College.
  - Teaching and other support costs were higher due to the strong recruitment of High Needs funded learners.
  - The College incurred £42k of agency costs to carry out COVID19 testing and had also engaged agency staff to deliver the £394k of 16-19 Catch Up Funding provision.
  - Cleaning costs were running ahead of budget due to the additional cleaning requirements in the College of COVID19.
- Whilst apprenticeship funding was reported to have increased, it remained a risk to achieving funding targets, as the College moved to ensure that completing learners completed in a timely fashion. The Deputy Principal – Finance & Resources stated that College was however on track to achieve the reduced forecasted target of £1.9m.
- The outcome of the College’s funding audit on apprenticeships. At the time of the meeting, follow up work continued, with a risk of approximately £180k of funding clawback. The Deputy Principal advised that the sum was not included in the forecast as there remained further means of mitigation to reduce this further.
- The potential clawback of Adult Education Budget (AEB) funding at year end. Since the time of writing the report the gap between the worst-case funding position and the revised 90% ESFA tolerance threshold was reported to be at approximately £60k and was built into the most recent financial forecast at the time of the meeting.
- Other income lines were reported to be favourable to budget by £28k after being behind budget for most of the financial year; reflective of the increase in activity following an ease of lockdown restrictions as a result of COVID-19.
- Non-pay costs stood at £103k, 2.3% favourable to budget with underspends in Teaching Support and Administration Costs, however, this was reported to be offset by a £57k cost for COVID-19 cleaning products and PPE as well as increased costs in teaching and transport.

### **Payments Exceeding £75k**

570 Governors received a report detailing a review of tender and quotation outcomes which exceeded £75k. Two new payments were presented for Board consideration, as stipulated under Financial Regulation 18.13, related to:

- the renewal of the College insurance provider, which was estimated to be within the region of £125k and was part of a long term agreement. It was reported that the College would look to retender insurance services within the 2022-23 academic year; and
- the purchase of services from the winning tender, Chester Edwards, to the value of £229,680.62 in order for refurbishment works to the Bruce Lucas building at the Rodbaston site to be undertaken, via funds received from the ESFA Condition Fund grant.

571 **Resolved**

- 1 that costs related to the renewal of the College insurance provider be approved, to the estimated value of £125k, as part of the College's long term agreement.
- 2 that the purchase of services from Chester Edwards, to the value of £229,680.62, be approved.

**2021-22 BUDGET & FINANCIAL PLAN 2021-23**

572 The Board received the 2021-23 Financial Plan, incorporating the financial forecast and the proposed annual budget for 2021-22 which showed an operating surplus 25k in 2021-22 and £150k 2022-23 respectively. The revised forecast for 2020-21 showed a forecast operating deficit of £60k. Attention was drawn to the following information:

- Based on accepted offer data, it was possible that the College would see further significant growth in 2021-22 which would in turn have a similar impact to that following increased numbers in 2020-21, which could place a significant strain on teaching costs and teaching support costs. As such, it was reported that the College could again be reliant on the ESFA to offer a mechanism to increase 16-18 funding allocations during the year, which was normally lag funded in subsequent years.
- No additional in-year funding had been assumed in 2021-22.
- The College aimed to reduce its overall pay costs as a proportion of income to below 70% and benchmarking work would be undertaken for its support staff areas to ensure these were not overstaffed.
- Strong cash reserves remained in place; with cash balances reported to be at £3.95m at the end of 2020-21. Cash reserves for 2021-22 and 2022-22 were forecasted at £3.95m and £4.24m respectively.
- The budget had been constructed on the basis that COVID-19 would have minimal impact on the way that the College operated in 2021-22. As such, a small COVID budget had been incorporated as a contingency together with sensitivity analysis built into the forecast to reflect COVID impact together with a prudent apprenticeships budget.
- A key assumption within the Financial Plan related to the stabilisation and marginal improvement of apprenticeship provision £1.9m to £2m, which incorporated a carry-in value of £1.6m.

573 It was observed that the 2021-22 16-18 allocation stood at 2,541 yet a key assumption related to the College exceeding this number by reaching 2,700 learners. When asked for clarification regarding whether the forecast included sufficient staffing to accommodate the additional growth beyond allocation, the Deputy Principal advised that, whilst a proportion of additional staffing had been built into the forecast, further resource would be required to cater for 2,700 learners and therefore such costs had been built into the Sensitivity Risk Analysis within the document presented. A lengthy, full and robust discussion subsequently took place with regard to a) the achievability of the budget presented given the significant 2021-22 in-year growth expected and b) whether the estimation of additional staffing resource should instead be factored into the base forecast which would result in a deficit budget position for 2021-22. The potential impact around covenants compliance and Going Concern within audited accounts was also discussed. The Deputy Chief Executive advised that, from a curriculum standpoint, additional growth up to 2,700 students equated to 10 additional classes and therefore five FTE teaching staff, at a cost of approximately £250k against a sensitised forecasted cost of £407k.

574 A discussion also took place regarding the College Admissions Policy, whereby questions were asked related to whether there was a) a deadline by which students could submit applications and b) provision to ringfence enrolment on a course by course basis. Confirmation was received that whilst the policy had the discretion to turn away very late Walk-In applicants, all other applications submitted in advance would be accommodated. Application and enrolment intelligence was shared and capacity discussed in detail. In response to a follow up question related to the ESFA ILR return, confirmation was received that the College funding would not be confirmed until after the Day 42 census date.

575 A governor noted that restructuring costs had been budgeted to increase from £75k in 2020-21 to £150k in 2021-22 and 2022-23 respectively and therefore they sought clarification regarding whether the budgeted staff costs also included restructuring costs. The Deputy Principal advised that restructuring costs were calculated separately. A discussion took place regarding the prudence of maintaining such costs within the Financial Plan together with the benefits of the identification of potential savings.

576 At the request of the Finance Improvement Group, the leadership team were asked that the College banking providers be updated with regard to the impact of anticipated 16-18 growth in 2021-22. When asked for an update following this, the Deputy Principal stated that whilst anticipated growth combined with healthy cash reserves was positive, the banks acknowledged that the ESFA 16-18 lagged funding model would place pressures on the College in 2021-22. Confirmation was received that open and transparent discussions continued with all lenders. A follow up question was then asked with regard to ESFAs response should a deficit budget be submitted where governors were advised that the financial health classification of the College would be the main area of focus and, in the Deputy Principal's opinion, the financial health rating would remain at Good, should the budget be updated to reflect the increased costs as a result of anticipated student growth. The CEP stated that the ESFA were also aware of College circumstances related to this matter but, at the time of the meeting, were unable to confirm if a means to claim in-year growth funding would be in place in 2021-22.

577 In conclusion, it was widely agreed that building the student base of the College whilst simultaneously maintaining quality was a fundamental strategic priority, and therefore it was acknowledged that a short term impact to the College finances and its covenants would likely be incurred in light of the ESFAs lagged funding model, in order to support long term growth.

578 The Clerk confirmed that, should the Board opt not to approve the 2021-22 Budget and 2021-23 Financial Plan presented at the time of the meeting, in favour of a revised set of documentation that reflected the additional staffing resource to cater for 2,700 students, then the Board had within its power the means to consider updated financial information via a Written Resolution, as per Standing Order 26(a); provided that the resolution was accompanied by sufficient commentary which enabled governors to make an informed decision.

**579 Resolved**

- 1 that the 2021-22 Budget and 2021-23 Financial Plan not be approved.
- 2 that the base forecast of the 2021-22 Budget and 2021-23 Financial Plan be updated to reflect the additional staffing resource beyond allocation in order to cater for 2,700 students.
- 3 that the Board consider the revised financial documentation via Written Resolution in advance of the ESFA submission deadline of 31 July 2021.

**CAPITAL EXPENDITURE**

580 The Board received and noted a report which outlined the College plans for the 2021-22 capital budget, reviewed in advance of the meeting by the Finance Improvement Group. Confirmation was received that the College had a budget of £600k for capital expenditure for 2021-22. Attention was drawn to the following information:

- The capital budget was split approximately 50:50 between IT and general capital. The capitalisation limit for items stood at £2k.
- The capital budget did not include the remaining balance of the ESFA Condition Grant, some of which could be spent in 2021-22.
- The most significant investment stood at £60k for electric vehicle resources and £36k to increase electrical workshop capacity at Cannock.

**INTERNAL AUDIT STRATEGY AND ANNUAL INTERNAL AUDIT PLAN 2021-22**

581 The Internal Audit Strategy and Annual Audit Internal Plan for 2021-22 through to 2023-24 was presented to the Board, recommended for approval by the Audit Committee. A total of 25 days were planned for 2021-22 which included:

- Strategic Control
- Risk – Mitigating Controls
- Key Financial Controls – Payments and Payroll
- Admissions
- Estates Management
- Learner Records

- Five days had been allocated for planning, reporting, management and to conduct a follow up of previous recommendations.

582 **Resolved** that the Internal Audit Plan for 2021-22 be approved.

### **APPOINTMENT OF THE FINANCIAL STATEMENTS AUDITOR 2020-21**

583 A report was received which detailed the Audit Committee's careful and lengthy decision-making process related to the appointment of the College external auditor for 2020-21 onwards following a retendering exercise that had been undertaken during the academic year.

584 Confirmation was received that the College used the Crescent Purchasing Consortium's mini-tender lot which included a total of ten firms. Four firms subsequently made a tender return, of which four were invited to present to the Audit Committee on 9 June 2021 against the following tender criteria:

- Price (measured by tender cost)
- Sector experience (measured by company/staff experience of FE sector)

585 The Deputy Principal stated that there whilst there was an appetite to change firm, it was acknowledged that of the original lot, three larger firms were also invited to tender but had subsequently declined the offer, which, in his opinion, was a reflection of a number of significant changes to both the audit and FE landscape at the time of the meeting.

586 Following a series of robust discussions prior to and during the meeting and following careful consideration, the Audit Committee resolved to recommend Mazars as the successful firm. It was agreed that a three-year contract would be awarded in preference to the usual five-year contract. Governors also noted that, within this period, the Committee must consider the re-appointment of the firm on an annual basis. The rationale for the decision was based upon the following:

- The firm remained as the second largest FE auditor provider in the sector and had invested in their FE presence whereas other larger firms had been withdrawing from the sector.
- The firm:
  - were in receipt of a specialised Funding Audit Team, one of only four firms in the sector that were in receipt of this resource; and
  - sat on the ESFA's Insolvency Panel.
- Despite the firm being the most expensive option, they offered the best value on a funding audit review.
- Given the risks to the sector at the time of the meeting, with the advent of the White Paper, and the risks to the College regarding financial recovery and a potential major capital build, it was agreed that experience would take preference over costs on the basis that, once additional funding audit costs were added in, the variance in costs was not significant.

587 **Resolved** that Mazars be appointed as External Auditor for a three-year term, noting that the Audit Committee would consider the reappointment of the firm on an annual basis.

### **RISK MANAGEMENT**

#### **Corporate Risk Register & Action Plan**

588 The Board received both the Risk Register and Action Plan, reviewed in advance of the meeting by the Audit Committee; where the 20 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. Confirmation was received that the document had been further updated since the June Audit Committee meeting to reflect updated commentary to be presented related to residual risk be presented at the September meeting of the Committee, with particular regard to Risks C2, C6 and COVID-19.

#### **COVID-19 Risk Register and Action plan**

589 The Committee received the COVID-19 Risk-Register and Action Plan, where the 9 key risks facing the College were discussed, along with the progress made. Confirmation was received that the document had been reviewed by both the Risk Management Group, the Executive Leadership Team and Audit

Committee in advance of the Board meeting. No new risks had been added to the COVID-19 risk register since the previous meeting.

## **BUSINESS CONTINUITY PLANS**

590 Further to the approval of the Business Continuity Policy at the previous meeting (*minute 488 refers*), the Business Continuity Plans, which consisted of a critical response plan and a business recovery plan, were presented for consideration, recommended for approval in advance of the meeting by the Audit Committee. Detail related to the means by which staff would become familiar with the procedures would be shared following approval. The Deputy Principal confirmed that both documents had been reviewed prior to the meeting as part of the IT Business Continuity review, which had been in receipt of substantial assurance from the Internal Auditor.

591 The Equality Impact Assessment for the Business Continuity Policy was discussed, whereby a governor observed that recognition a) of the differences in support and communications that some groups might need and b) that those with mental health illness might need additional support in the event of a critical incident. In response, the Deputy Principal stated that the EIA would be updated accordingly.

592 **Resolved** that the Critical Response and Business Recovery plans be approved.

## **PROCUREMENT STRATEGY**

593 The Procurement Strategy was presented for consideration, recommended for approval in advance of the meeting by the Finance Improvement Group. The aims of the strategy, detailed within an accompanying report, were shared and subsequently discussed.

594 **Resolved** that the Procurement Strategy be approved.

## **POLICY APPROVALS**

595 The Board received the following new and revised policies that were due for (re)approval:

- i. FE Learner Financial Support Policy
- ii. Health & Safety Policy
- iii. Lone Working Policy
- iv. Retirement Policy

596 Governors were advised of any material changes to the policies, including feedback from unions where appropriate. 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.

597 With regard to the EIA for the FE Learner Financial Support Policy, a governor asked if take up for the Learner support fund be monitored by protected characteristic. Confirmation was received that the College actively marketed bursary funds and set an income cap which enabled a level field of access. Moreover, following the release of the new website, the College had in place an Applicant Hub which provided key information on the bursaries offered by the College. Finally, the Assistant Principal – Learner Services advised learners were also asked at enrolment if they wanted to apply for such funding.

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

## **COLLEGE SEAL**

### **Yorkshire Bank**

599 The Clerk reported the use of the College Seal in relation to a new loan facility with Clydesdale Bank PLC (trading as Yorkshire Bank at the time of the meeting, approved by the Board at its June Special Meeting (*minute 515-517 refers*)).

### **Cannock Nursery Lease**

600 A report was received for consideration in relation to executing the deeds in relation to the lease between the College and the Little Owl Nursery at the Cannock site.

601 **Resolved** that the use of the seal be approved for executing the deeds in relation to the lease between the College and the Little Owl Nursery at the Cannock site.

#### **SCHEDULE OF BUSINESS 2021-22**

602 The Board received the proposed cycle of business for the new academic year. The document identified the items and reports scheduled for consideration in 2021-22 for all meetings of the Corporation, its committees and associated task and finish groups to enable the Board to effectively carryout its role.

603 **Resolved** that the 2021-22 Schedule of Business be approved.

#### **APPOINTMENT OF CHAIR & VICE-CHAIR FOR 2021-22**

*(Mike Rowley and Tim Legge withdrew from the meeting for this item)*

604 Succession planning developments from within the current membership were discussed by the Board and, as a consequence of the work undertaken by the Governance & Search Committee within this area, confirmation was received that Mike Rowley and Tim Legge were the governors willing to stand for the role of Chair and Vice Chair respectively for 2021-22 academic year. The qualities of both governors combined with their respective suitability for the role was raised. Neither Mike Rowley or Tim Legge were present for discussions related to this item.

605 **Resolved**

1 that Mike Rowley serve as Chair of the Corporation for the 2021-22 academic year.

2 that Tim Legge serve as Vice-Chair of the Corporation for the 2021-22 academic year.

606 On behalf of the Chair and Governance & Search Committee, the Clerk thanked all members for their input and support with succession planning work during the 2020-21 academic year.

#### **ANY OTHER BUSINESS**

607 On behalf of the Board, the Chair commended the leadership team for the tireless work undertaken throughout the public health emergency.

#### **Steve Burgin, Chair**

608 The Board together with the leadership team thanked Steve Burgin for his support and substantial contribution to the work of the College during his time in post Chair. Members and staff wished him well for the future.

#### **Miranda Hughes, Clerk to the Corporation**

609 The Chair, on behalf of the Board, thanked Miranda Hughes for her support and significant contribution to the improvement of governance at the College during her time in post as Clerk to the Corporation. Members and staff wished her well for the future.

#### **DATE OF NEXT MEETING**

9am, Thursday, 30 September 2021.

  
\_\_\_\_\_  
Chair

30 September 2021

\_\_\_\_\_  
Date