

South Staffordshire College

Meetings of the Board of Governors

Minutes of the Virtual Meeting of the Board of Governors PART 1

12 July 2022
9am to 11:25am

Governors present: Mike Rowley (Chair) 'MR'; Tim Legge (Vice Chair) 'TL'; Claire Boliver (Chief Executive & Principal) 'CB'; Philip Atkins; Yvonne Bradshaw; Andrea Chilton; Andrew Elsby-Smith; Liz Furey; David Isted; Nicola Truman; Jamie Parsons; Helen Simpson; Gail Steptoe-Warren

Apologies received: Tony McGovern; Hannah Montgomery; Stephen Oliver

Absent without apology: Dipal Patel

In attendance: Kirk Hookham Deputy Chief Executive 'KH'; John Snow (Deputy Principal – Finance and Resources) 'JS'; Karen O'Reilly (Assistant Principal – HR) 'KO'R'; Karen Turley (Assistant Principal – Quality and Curriculum) 'KT'; Kim Vaughan (Assistant Principal – Learner Services & Adult Provision) 'KV'; Mary Mellor (Clerk to the Corporation)

Governor Questions: Support: Blue; Challenge: Yellow

Board	Agenda Item	Actions
	Welcome and Apologies for Absence	
1.1	MR opened the meeting at 9am and welcomed the Governors and ELT.	
1.2	Apologies were received from Tony McGovern, Hannah Montgomery and Stephen Oliver which were accepted by the board.	
1.3	Dipal Patel was absent without apology.	
1.4	Andrea Chilton joined the meeting at 9:28 during item 4.	
1.5	MR on behalf of the board gave thanks to Rosie Watchorn, student governor, who had completed her course at the College and had therefore finished her term of office as a governor on the board.	
	Declarations of Interest	
1.6	MR and TL declared an interest in item 7d of the agenda and confirmed they would leave the room during the discussions.	
1.7	MR confirmed that the clerk would be circulating new forms during the summer in preparation for the new academic year.	
	Minutes of the Last Meetings and Action Grid	
2.1	Resolved: That the minutes of the last meeting held on 8 June 2022 be approved and marked as a true record.	
2.2	The Board received the notes of the Strategy Day held on 8 th June 2022.	
2.3	The Board reviewed the Action Grid and noted the actions closed and those to be carried forward to the Autumn Term.	
	Principal's Report	
3.1	CB presented the Principal's report which highlighted the key developments with reference to each of the College's strategic objectives and key strategic issues. CB drew particular attention to the following: <u>Participation</u>	
3.2	It had been a good year for Apprenticeships and High Needs. CB outlined the application process for new learners and confirmed that all ages and campuses had seen an increase in the number of applicants with the number of 16-18 applicants increasing by 33% when compared with the same date last year.	
3.3	A governor asked about the impact of the follow up to non-acceptances/involvement of parents. CB and KV confirmed that the College rang, emailed, texted and wrote to parents however the most effective way of turning these into acceptances was writing to the parents. Letters to parents would include additional information such as bursaries and next steps to encourage acceptance of the offer. CB confirmed that, whilst the College did still interview new learners, the information sessions where parents attended had been very successful. The College was therefore considering not holding interviews next year.	

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3.4	<p><u>Performance</u> Performance had been good and the College had met or was close to KPI in all key measures.</p>	
3.5	<p><u>Provision</u> Curriculum planning was ongoing and the College had recently reviewed timetables and staff utilisation.</p>	
3.6	<p><u>People</u> CB explained that the annualised staff turnover as at June 2022 was 19.76% and higher than the same period as last year. In response to a question CB explained that the general turnover of staff in FE (before Covid) was 15-18%. The College was losing more non-teaching staff due to higher pay elsewhere. Agency costs had increased to cover the vacancies.</p>	
3.7	<p><u>Prosperity</u> CB confirmed that finances would be discussed in detail later in the meeting including the staff pay award for 2022-23. A planning application had been submitted for the Tamworth New Build. CB provided information about the review of the status of FE Colleges by the ONS and outlined the potential risks if the College status changed to public.</p>	
3.8	<p>Term 2 Safeguarding Report KV presented the report and outlined the following key points:</p> <ul style="list-style-type: none"> • The College has comprehensive safeguarding policies and procedures in place that are reviewed termly and annually for children and vulnerable adults. • The safeguarding governor is informed of any serious safeguarding issues throughout the year. • There had been the same number of learners who have been referred into Safeguarding in Term 2 in 2021/22, 49 learners in both 2020/21 and 2021/22. • 87 learners engaged with mentoring in Term 2 in 2021/22. This was a 67% decrease compared with 145 learners referred last year. The previous year was Covid lockdown when the mentoring team were contacting learners considered at risk and who were LAC. • The number of LAC have increased by 18.4% from 38 in 2020/21 to 45 learners in 2021/22. • The gender breakdown for Term 2 2021/2022 for mentoring and safeguarding referrals is 63% females and 37% males; an increase of males by 7.5% compared to last year. • There had been a significant increase in County Lines referrals from suspected criminal exploitation. • The sexual health service on campus had been extensively used by students • KCSIE had been updated and the term 'peer on peer' abuse had been changed to 'child on child' abuse • There had been some apprenticeship referrals in Term 3 (not included in the report) and the senior leaders in apprenticeships had ensured that safeguarding was now at the forefront of their area. 	
3.9	<p>Governors reviewed the number and types of incidents and referrals. Governors noted that criminal exploitation had increased from 0 (2021) to 17 (2022) and in response to a question, KV confirmed this included both county lines and female exploitation. Governors noted that suicidal tendencies/thoughts had increased from 12(2021) to 28 (2022) which KV felt was related to the impact of 2 years of lockdown.</p>	
3.10	<p>TL (safeguarding link governor) confirmed that he had been kept up to date with cases that needed to be brought to the attention of governors and that he had inspected the HR database and also met with the looked after young learners and had been impressed with the support provided by the College. TL had also met with the exams officer to review the exam provision for SEND students and had been impressed with the support provided. KV thanked TL for his interest and involvement and confirmed it was appreciated by the staff.</p>	
3.11	<p>Curriculum Strategy 2022-23 KT referred governors to the discussions and information shared at the recent Strategy Day and confirmed that there had been no changes to the proposed curriculum strategy</p>	

3.12	<p>following the presentation. Governors had had time to reflect on the strategy and there were no further questions.</p> <p>Resolved: to approve the Curriculum Strategy 2022-23</p>	
3.13	<p>HR Updates Annual HR Report</p> <p>KOR presented the annual report and outlined the key points:</p> <ul style="list-style-type: none"> • iTrent had been launched as the HR system – good feedback received from staff who like the transparency and the fact they can see it on their mobile devices at home • Employee Survey –increased the response rate by 10% • Contracts - The dispute with UNISON has been concluded and they have now agreed the contracts for existing staff • Contracts – reduced zero hours contracts from 18% to 11% of the workforce in the last year ensuring that people have more substantive contracts (this was 30% in 2020) • Policies constantly reviewed to ensure that they are relevant and up to date. • Recruitment remains a challenge and the College is losing almost the same number of people as were starting. The agency budget is over-spent so the College has tendered for the work and appointed 3 agencies. • Assurance of performance management was provided in the report • An overview of what is new with the benefits and pay and an outline of Thrive at Work in terms of Health & Wellbeing • The College had received the Gold Armed Forces Award 	
3.14	<p>Governors thanked KOR for her report and congratulated the College on receiving the Gold Armed Forces Award.</p>	
3.15	<p>Gender Pay Gap Report for 2021-22</p> <p>KOR presented the report and highlighted the key points:</p> <ul style="list-style-type: none"> • The Gender pay gap mean has improved by decreasing by 1.4% to 8.16% (in 2021 the mean pay gap was 9.6%). This has improved over the past 3 years. • The Gender pay gap median gap has increased to 15.89% from 5.56% in 2021 which is a 10.33% increase. 	
3.16	<p>KOR confirmed the College had made pay improvements during the first part of 2022, however, the majority of lecturers who were paid at the top of the grade received a £2k increase on pay in January and the lowest pay were moved from £9.00 to £9.24 per hour but these were in low numbers. The next increases of the lowest pay were effective 1/4/2022 and therefore were not reflected in the report.</p>	
3.17	<p>A governor asked whether there was an issue with equality of opportunity for female staff as the majority of staff at the top of the scale were men. KOR explained that there were some male lecturers in engineering/construction who were paid above the scale with honorariums. This is due to these areas being hard to recruit to.</p>	
3.18	<p>A governor asked how the College compared to others in the sector. KOR explained that SSC were reporting early and it would be next year when she could compare against the rest of the sector.</p>	
3.19	<p>Resolved: that the report be approved for publication.</p>	
4.1	<p>Quality Improvement Group</p> <p>Governors received the draft minutes of QIG. TL outlined the main discussions held in the meeting and confirmed that the group felt that the College now had the right management in place in the areas of focus for improvement. KH added that the College would scrutinise the English and Maths results in the summer and note performance against other post 16 providers.</p>	
4.2	<p>Teaching Learning and Assessment Strategy 2022-2025</p> <p>KT presented the strategy which had been fully discussed at the QIG meeting. KT confirmed that the new strategy continued the cultural shift to coaching to drive change and share best practice.</p>	
4.3	<p>Resolved: that the Strategy be approved.</p>	
5.1	<p>Finance Improvement Group</p> <p>Governors received the minutes of FIG and MR outlined the main discussions held in the meeting. MR confirmed that the DfE had issued a new Governing Body financial data dashboard which had been reviewed at FIG.</p>	

5.2	<p>Management Accounts to May 2022</p> <p>JS presented the management accounts and confirmed that the College was on track to hit forecast. There had been growth in Apprenticeships and High Needs which was tracked monthly. Cash was good at £5.3m and the High Needs funding had been received in-year due to earlier invoicing. Agency staffing costs continued to rise due to vacancies in permanent staff. JS confirmed that Yorkshire Bank would now waive their covenants in the current year and the Barclays paperwork was complete.</p>
5.3	<p>In response to a question about the medium risk on the Barclays covenant JS confirmed that this was now low risk as the paperwork had been completed in the past week.</p>
5.4	<p>A governor asked about cash reserves required to remain solvent. JS confirmed a minimum of £1.5m would be required at the end of each month to meet payments. The lowest point of the year would be March 2024 but JS hoped to have around £2m-£3m at this point due to payments in and out related to the Tamworth new build.</p>
5.5	<p>A governor asked if there was any 'trapped cash'. JS confirmed that it was all available however around £1.8m would need to be put into escrow on the sale of the Tamworth site to provide debt security for the banks. This amount was not included in the cash reserves.</p>
5.6	<p>3-year Financial Forecast and Annual Budget 2022-23</p> <p>JS explained that budgeting had been particularly difficult this year due to increasing energy costs, the cost of living crisis and staff pay.</p> <p><u>Staff Pay Proposal</u></p>
5.7	<p>JS outlined the College's approach to staff pay, confirming that the College had added an additional top pay scale for lecturers and improved pay for all staff at the lowest end and/or on minimum wage. JS proposed a 2.5% increase across all Staff (except Senior Post Holders and the Clerk) which would be payable from October 2022. The College was also giving all staff an extra 5 days' holiday and ensure that staff were aware of the full benefits package available. The College closedowns at Christmas and Easter had proved popular with staff who could work at home and save on travel costs and child care.</p>
5.8	<p>A governor asked whether staff had been offered extra pay instead of holidays and whether the College had considered offering more to those lower down the scale. KOR confirmed that that the College had looked at this very carefully and moved staff on lower pay up the scales to increase their pay.</p>
5.9	<p>A governor asked whether the College could still operate if staff had the extra holiday allowance. CB confirmed that 3 days would be taken during the Christmas shutdown so there were only 2 additional days to be taken during the year.</p>
5.10	<p>A governor asked whether more closedowns during the holidays could save more on energy costs. CB confirmed that the College would maximise closedowns during the holidays and review all energy usage. Campuses would need to remain open during the summer to provide advice and guidance for new student enquiries. These would be staffed on a rota.</p>
5.11	<p>A governor asked whether the costs included the actuarial value contribution changes for the pension schemes. JS confirmed this had been included in the sensitised forecast and the Teachers' Pension Scheme changes would receive financial support from the government.</p> <p><u>Budget 2022-23</u></p>
5.12	<p>JS explained that the College was proposing to set a deficit budget due to staff pay increases and energy costs.</p>
5.13	<p>A governor asked for clarification around the £1m budgeted for energy costs. JS confirmed that the College was still seeking detailed information however it was based on the usage in the current year and scaled up for the new rates. JS was comfortable that £1m would be sufficient to cover the additional costs as he had not factored in less usage during holidays.</p>
5.14	<p>A governor asked whether the College used consultants to help spot gaps in the market and buy energy at lower prices. JS confirmed that the College was in a consortium with Staffordshire County Council which monitored the markets and forward purchased energy at the best price.</p>
5.15	<p>A governor asked whether the College had considered combined heat and power systems which could prove more economical due to the high cost of energy. JS explained that the College had started looking at options including photovoltaic cells. Voltage optimisation was also being considered but the financing of any scheme would have to be considered carefully.</p>

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5.16	Governors discussed the issues around energy and agreed that it would be sensible for a group of governors and management to look at energy costs together with sustainability and any other green initiatives. Governors were asked to volunteer to work with the Group with David Isted volunteering to be a member.	ELT / DI
5.17	JS outlined the other aspects of the budget, noting that the College had been unsuccessful in its two recent T-level capital bids. This would therefore release £430,000 of capital funds (which had been reserved in case the bids were successful) which could be saved or put towards supporting energy costs. The College would support the Tamworth Build with at least £1.95m of capital funds which would be supported by a short term loan. £200,000 had been set aside for the new Futures provision in Tamworth. CB confirmed she had held a meeting with Staffordshire County Council to look at match funding support for the Futures Building. JS confirmed that rent may have to be paid on the new building but this would be less than the current rent on the TORC building.	
5.18	JS noted that ONS review of the status of FE College may have a positive impact on the College finances but it was difficult to predict at this stage.	
5.19	JS confirmed it was important that the College retained sufficient cash in the bank and its financial health continued to be graded as Good by ESFA. This would be supported by the sale of the current Tamworth site. Borrowing as a percentage of income would increase from 9.8% in 2022-23 to 15.1% in 2023-24. Pay would now be around 70% of earned income. The FE Sector had been awarded an additional 8% on the 16-19 rates (which has already been neutralised by increases in staff and energy costs. The FE Sector now has to deliver an additional 40 hours of teaching on 16-19 programmes. The College is already delivering around 620 hours per full time course (where the minimum requirement is 540) which has been reviewed as part of the College efficiency review to balance the budget. The net effect is that the College does not plan to add another 40 hours to the delivery. KT confirmed that some learners' hours were covered by mandatory work experience. JS confirmed that the College would therefore remain compliant with the ESFA rules.	
5.20	A Governor asked whether the ESFA could require the College to deliver an additional 40 hours above the 620. CB confirmed that they had met with the ESFA who were content with the provision provided by the College. The College would be required to complete a questionnaire in the Autumn Term and CB felt confident she would be able to document the activities and impact of the provision which met the requirements.	
5.21	JS outlined the assumptions underlying the forecast including a 2-3% increase in 16-18 learners on the allocation of 2496. This could be a challenge as there were fewer returning learners due to more learners at level 3. In response to a question, JS confirmed that he had included the costs of delivery to the additional students without allowing for additional in-year funding.	
5.22	JS outlined the College debt levels confirming that the current debt would be paid off by 2030 including any additional short term debt for the Tamworth Build. The bank covenants were at risk in 2023-24 due to the Tamworth Build however the banks were aware of the situation and the College would continue to talk to the banks.	
5.23	A governor asked for confirmation that the banks were comfortable with the risks around the deficit budget and the Tamworth build and whether their view might change in year as a result of the country's financial challenges. JS confirmed that a meeting was scheduled with the banks for the next day. The banks were regular lenders to the FE sector and are aware of the risks with the Tamworth project so there would be no surprises. There would be a concern for the FE sector in general which may change if College move to the public sector but there was unlikely to be any specific concerns about the College itself.	
5.24	A governor asked how the reduction in staff roles and hours would be managed. CB confirmed that the majority of roles being removed were current vacancies so recruitment had stopped.	
5.25	Resolved: to approve the staff pay award of 2.5% for all staff from October 2022 (excluding SPH and the Clerk).	
5.26	Resolved: to approve the three year financial plan and budget for 2022-23.	
5.27	Tenders over £75,000 <u>Insurance Renewal</u> This was due on 1 st August and had been discussed at both the Audit Committee and FIG. The quote was around £135,000 which was comparable to the previous year. JS did not expect it to be higher than this.	

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5.28	<p>Resolved: to approve the insurance renewal up to a value of £140,000 with delegated authority to the Chair to approve a renewal above £140,000 if required.</p> <p><i>NOTE: after the meeting the renewal was agreed at £133,362.08 (including 12% insurance premium tax).</i></p>	
5.29	<p><u>Project Manager Fees</u></p> <p>The Peter Marsh fees were being tendered through the Bloom framework which would ensure public procurement compliance. Governors noted their discussions at the previous meeting on 8th June and agreed that the proposed fees were reasonable and there were risks if the College moved to a different provider.</p>	
6.1	<p>Audit Committee</p> <p>Governors received the draft minutes of the audit committee with HS outlining the key discussions.</p>	
6.2	<p>External Audit Strategy</p> <p>JS presented the draft strategy which had been fully discussed at the Audit Committee meeting with the external auditor present. JS confirmed that the scope of work would be similar to the previous year but would include some additional work around funding. There was also additional work to be done by Mazars to comply with their own regulator. This would be at no cost to the College.</p>	
6.3	<p>Resolved: to approve the External Audit Strategy for 2021-22.</p>	
6.4	<p>Internal Audit Strategy and Internal Audit Plan 2022-23</p> <p>JS presented the Internal Audit Strategy which had been fully discussed at the Audit Committee. HS confirmed that the draft plan had been amended to include an audit on the Tamworth Town Centre Project in the Autumn Term.</p>	
6.5	<p>Resolved: to approve the Internal Audit Strategy and Internal Audit Plan 2022-23</p>	
7.1	<p>Schedule of Corporation Business and Schedule of Meetings 2022-23</p> <p>The Board received the proposed cycle of business for the new academic year. The document identified the items and reports scheduled for consideration in 2022-23 for all meetings of the Corporation, its committees and associated task and finish groups to enable the Board to effectively carry out its role.</p> <p>The Board discussed and agreed that the Board meeting in October would be held face to face in Lichfield.</p>	
7.2	<p>Resolved: that the Schedule of Business and Meetings for 2022-23 be approved.</p>	
7.3	<p>Remuneration Committee Terms of Reference and Senior Post Holder Pay Policy</p> <p>The Clerk presented the revised Terms of reference for the Remuneration Committee and the revised Senior Post Holder Pay Policy. These had been updated and incorporated comments and recommendations from the Chair, CB, KOR and members of the Governance and Search Committee and the Remuneration Committee. It was confirmed that decisions regarding the pay and conditions for Senior Post Holders remain with the Board on the recommendation of the Remuneration Committee. The Clerk also confirmed that any new SPH appointment remained with the Board and a recruitment panel would be formed in accordance with the Memorandum and Articles.</p>	
7.4	<p>Resolved: that the Terms of Reference for the Remuneration Committee and the Senior Post Holder Pay Policy be approved.</p>	
7.5	<p>Updated Terms of Reference</p> <p><u>Finance Improvement Group</u></p> <p>The Clerk presented the revised terms of reference for the Finance Improvement Group which had been updated to include scrutiny of the ESFA Governing Body Data Dashboard and the Tamworth Town Centre Capital Project.</p>	
7.6	<p>Resolved: to approve the Terms of Reference for the Finance Improvement Group</p>	
7.7	<p><u>Audit Committee</u></p> <p>The Clerk presented the revised terms of reference for the Audit Committee and confirmed that these had been updated to reflect the Post-16 ACOP and included other minor amendments including moving the responsibility for appointing the Chair to the Board.</p>	
7.8	<p>Resolved: to approve the Terms of Reference for the Audit Committee</p>	

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7.9	<p>Appointment of Chair and Vice Chair for 2022-23 <i>MR and TL left the meeting for this item.</i></p> <p>The Board at its last meeting had agreed not to implement the procedure for the appointment of Chair and Vice Chair. Governors were asked if they wished to make any other nominations and there were none.</p>	
7.10	<p>Resolved: that Mike Rowley be reappointed as Chair and Tim Legge as Vice Chair for the next academic year.</p>	
7.11	<p>Policy Approvals</p> <p>The Board received the following revised policies which were for approval:</p> <ul style="list-style-type: none"> • Comments, Compliments and Complaints Policy and Procedure • Quality Improvement Strategy • Supply Chain Fees and Charges Policy • Health and Safety Policy <p>Governors were advised of any material changes to the policies, including feedback from unions where appropriate. EIA analysis had been reviewed by members of the Board in advance of the meeting</p>	
7.12	<p>Resolved: that the policies be approved.</p>	
7.13	<p>Use of the College Seal</p> <p>The Clerk reported that the Seal had not been used since the last meeting. JS presented the lease to Capita Business Services Limited for a grounds maintenance depot at Tamworth Campus which was due for renewal. The renewal of the lease was on the same terms as previous. The renewed lease was due to expire on 1st October 2022 and any further renewal would take account of the proposed sale of the Tamworth Campus.</p>	
7.14	<p>Resolved: that the use of the seal be approved for executing the renewed lease to Capita Business Services Limited.</p>	
8.1	<p>Any Other Business</p> <p>The Chair noted that the board's individual appraisals would take place over the summer and the Clerk would be sending out the associated documentation together with the declarations of interest and eligibility.</p>	
8.2	<p>The Board noted that there were no items discussed that should be regarded as confidential. The decision around staff pay would be notified to staff in the end of term message from CB.</p>	
8.3	<p>The Chair thanked the members of the Board for their support over the last academic year and wished them all a good summer.</p>	
8.4	<p>The Chair requested that CB give the Board's thanks to all the College Staff as part of her end of term message. The Board was conscious of the challenges the staff and students had faced with the return to College after the Covid restrictions and the related safeguarding concerns.</p>	
8.5	<p>There was no other business and the meeting closed at 11:25am. The next meeting is on Friday 21 October 2022 9am at Lichfield Campus.</p>	

Agreed as a true record at the meeting of the Board held on 31 October 2022