

Approved Minutes of the Meeting of the Corporation held on 14 December 2021 at 16.00, via Teams.

Present:	Prof Adam Boddison	(Chair)
	George Trow	(Vice-Chair and Chair of Audit Committee)
	Carol Thomas	(Principal/CEO)
	Jas Atwal	(Staff Governor)
	Anne Brennan	(Independent Governor, Chair of Education & Standards Committee)
	David Busst	(Independent Governor)
	Thomas Crane	(Independent Governor)
	Di Crookes	(Staff Governor)
	Rebecca Keeves	(Independent Governor)
	Donna Kendall	(Independent Governor)
	Anthony Gribben-Lisle	(Independent Governor, Chair of Finance & Resources Committee)
	Tony Minhas	(Independent Governor)
	Sarfraz Nawaz	(Independent Governor)
	Dr Henry Seaton	(Independent Governor)

In Attendance: Gemma Knott (Vice-Principal, Business Growth, Engagement & Partnerships);
Patrick Geary (Vice-Principal, Curriculum Innovation, Quality & Performance); Dr Lorna Pursglove (Education & Skills Funding Agency, ESFA Observer)
and Paul Oxtoby (External Audit).

Secretary: Michael Wood, Head of Governance

Apologies for Absence

An Apology for absence was **received** from Jemma McKenzie (Independent Governor).

Declarations of Interest

There were no Declarations of Interest.

Minutes

- 19.21** The Minutes of the meetings held on 12 October 2021 were **confirmed** as an accurate record of the meetings, subject to 'Richard McGearry' being amended to read 'Patrick Geary'.

Matters Arising & Action Log

- 20.21** It was **noted** that all Actions had been completed. With regard to **Action 02**, it was advised that the Search & Governance Committee would consider the matter of appointing an Associate Governor with education experience. **Action 05**, relating to potential telecoms improvements in the Board Room, this matter was being considered by the Head of IT.

Chair's Report

- 21.21** The Chair was very pleased to advise the Board that, following recent discussions with ESFA, the College would be removed from formal administered intervention status (subject to final agreement from FEC). This was testimony to the hard work of all involved over the past few years in re-balancing the College's finances and having a credible plan for the future. On behalf of the Board, the Chair extended his thanks to the Principal, SLT, Governors and staff, and also to ESFA colleagues.

- 23.21** Governors were advised that a short Experience & Skills Questionnaire would be circulated by the Head of Governance and that a response to this by 22 December would be appreciated.

Action 1

- 24.21** With regard to Membership, it was proposed that Dave Busst be extended by a further year to 31 December 2022 in order to provide continuity for Safeguarding and to have a smooth transition to a new Governor with this responsibility. The Board **approved** this recommendation.

- 25.21** The Chair advised that the Vice-Chair and the Head of Governance would be taking their leave of the College on 31 March and 30 April 2022, respectively, and that arrangements were in place to ensure a smooth transition. Sincere thanks and appreciation were extended to both.

- 26.21** Thanks and appreciation were also due to Anne Brennan who would be retiring from the Board on 31 December after over 20 years serving the College in different capacities, both as Governor and teaching member of staff. The Chair thanked her particularly for chairing the Education & Standards Committee in recent times.

- 27.21** With regard to the Vice-Chair vacancy, expressions of interest were invited from Independent Governors, it being **noted** it was also proposed to

advertise externally for a second Vice-Chair early in the New Year. Finally, Governors were encouraged to complete their mandatory training requirements (further details available from the Head of Governance).

Action 2

Principal's Report

28.21 The Principal presented her report to the Board, the following key points being highlighted:

- the College had been successful in securing £1.8m from the Strategic Development Fund which needed to be committed in full by 31 March 2022 and on which close collaboration was taking place with Warwickshire College and others;
- with regard to Covid-19, 17 students and 6 staff had tested positive in the week prior to the meeting;
- following the census point, enrolment has continued to be higher than target, despite the closure of the Henley site;
- the College had been invited to provide a training space for security staff required for the Commonwealth Games in Birmingham in 2022;
- there had been difficulties in appointing STEM teaching staff (a national problem), but efforts were continuing to be made to resolve this situation, including the possibility of engaging Coventry University graduate students to deliver classes;
- 18 different local employers had attended the recent Employers' Fair which had been good for student opportunities.

29.21 Arising out of discussion, Governors recognised that the staffing situation in STEM presented a potential risk to the College and were supportive of the efforts being made to address the problem. The Chair commented that he had attended a meeting of the Black FE Leadership Group on 12 December and that he would provide feedback on this at the next Board meeting following a presentation from this Group to the Chair and Principal in January.

Action 3

Reports from Committees

30.21 The Chair of the Audit Committee presented a summary of business transacted at the Committee meeting held on 1 December. The Board **noted** in particular that:

- i) the Committee was escalating to the Board concern that historic outstanding Internal Audit actions (some dating back to 2018), had not been fully resolved and that this was now a top priority for the SLT to address in the short-term;
- ii) with regard to the Financial Statements, 2020/21, the Committee highlighted the following key points:
 - it had been a 'clean audit' which had progressed in accordance with the agreed timetable, the College being deemed to be a 'going concern';
 - the technical impairment related to the planned sale of the Henley site, combined with increased pension liabilities, had resulted in a lower operating surplus than anticipated, but these matters were outside the College's control and did not materially affect the financial health score;
 - the introduction (narrative) to the Statements should more fully refer to the difficult circumstances in which the College has been operating, notably Covid, but also to the fact that there had been a considerable turnaround in the College's finances, not least cash generation and reduced staffing and operating costs;
 - no material errors had been discovered as a result of a review of ESFA funding and entitlement, including Covid-19 funding streams;
 - in respect of Sub-Contracting, it was noted that the College had now exceeded the threshold in respect of this level of activity and that the Board now needed formally to approve sub-contracting arrangements, following scrutiny by the Finance & Resources Committee;
 - the Financial Statements, 2020/21 were **recommended for approval** by the Board.

31.21 The Chair of the Finance & Resources Committee presented a summary of business transacted at the Committee meetings held on 16 and 30 November. The Board **noted** in particular that:

- arising out of scrutiny of the Management Accounts to 30 September the operating surplus to date stood at £432k, which was ahead of forecast, and that pay costs were currently lower than forecast although non-pay was slightly higher due to timing issues;

- in respect of the Medium-Term Financial Strategy this had been based on prudent forecasting and included such considerations as failing to capture greater market share and responding to the competition challenges posed by school sixth forms. A strong level of performance was required to maintain a high level of surplus (5-7%);
- a report on Business Growth was considered which highlighted that the College was currently 2% above target (16-18 numbers standing at 2931), and that the WMCA Adult Education target had already been exceeded. With regard to Apprenticeships, 103 had been converted in the past three months;
- the Committee approved terms of reference for a Task & Finish Group looking at Business Growth and Stakeholder Engagement matters, reporting to the Finance & Resources Committee;
- a detailed report on Estates was considered the considerable work involved in relation to the consolidation onto a single site being acknowledged;
- the Committee considered a DPO Report it being noted that only 69% of staff had undertaken mandatory GDPR training to date. The Committee emphasised the urgency for such training to take place in early 2022, and for consideration to be given to an independent review of GDPR systems and structures;
- the Risk Register was considered in relation to specific F&R risks with no new risks being identified, although the key risk associated with STEM staff recruitment needed to be addressed as a priority;
- at the special meeting on 30 November, the Committee provided scrutiny of the draft Financial Statements 2020/21, including detailed consideration of the technical notes to the Statements, particularly in relation to pensions and the treatment of the Henley site. The Committee **recommended** the Financial Statements for the Audit Committee's consideration on 1 December 2021;
- it was confirmed that the ESFA had deemed that the College was 'good' in terms of its financial health rating, notwithstanding the lower than forecast outturn. At 62% of income, staffing costs were lower than the sector average, although non-pay expenditure had increased due to Covid and the Henley re-location.

32.21 The Chair of the Education & Standards Committee presented a summary of business transacted at the Committee meeting held on 7 December. The Board **noted** in particular that:

- the draft SAR 2021/22 had been scrutinised and was considered to be clear and detailed in format. A key area of concern centred on Apprenticeship achievement rates and likely assessment. However, an action plan had been developed which would address 27 courses which were currently under-performing. Significantly, it was reported that ESFA had moved the College out of intervention measures in respect of Apprenticeships, based on the action plan;
- the Committee re-visited the need to have a QIP, or an appropriate alternative, linked to the SAR as an easy way of monitoring actions (to be considered further by the SLT);
- the Delivery Plan contained a lot of high priority targets (e.g. 98% retention) and discussion centred on the capacity to achieve some of the more challenging targets in a relatively short period of time;
- with regard to the in-year Education & Standards Report, the Committee welcomed RAG-rated data, with attendance being red-rated, particularly with regard to Functional Skills and Apprenticeships;
- the Committee Vice-Chair reported on his role as a member of the newly-established Student Board, referring to the meeting held on 25 November which had been well-attended by the SU Executive.

Financial Reports

Medium-Term Financial Plan

34.21 The Board **approved** the Medium-Term Financial Plan which had been subject to detailed scrutiny by the Finance & Resources Committee.

Annual Report from Audit Committee, 2020/21

35.21 The Board **considered** the Annual Report of the Audit Committee 2020/21, including the recommendation to approve the Financial Statements 2020/21.

Financial Statements, 2020/21

36.21 The Director of Finance (Finance & Resources) presented the Financial Statements 2020/21 which had been the subject of detailed scrutiny, both by the Finance & Resources Committee and the Audit Committee. Arising out of discussion, the following key points were highlighted:

- the College had produced a strong performance on the year with an underlying surplus of £1.92m before exceptional circumstances (e.g., Henley site disposal and Pension costs) had been taken into account;
- the College had met 4 out of 6 key financial performance indicators during the year (compared with 1 in the previous year);
- challenging issues facing the College continued to be funding and pensions-related.

37.21 The External Auditor commented on the Financial Statements as follows:

- the College was deemed to be a ‘going concern’, with the financial position being much improved on January 2021;
- the treatment of the Henley site impairment represented a significant figure within the Statements, but this was a technical exercise and did not adversely impact on the College’s overall financial health rating;
- the College had continued to perform well during the year, despite the challenges posed by the pandemic.

38.21 The Chair thanked the External Auditor for his observations. Given the foregoing discussion and detailed scrutiny by assurance Committees, the Board **approved** the Financial Statements 2020/21.

Management Accounts

39.21 The Vice-Principal (Finance & Resources) presented Management Accounts for the period ended 31 October 2021 which were **noted**.

Risk Register

40.21 Due to time constraints and in order to allow sufficient time for prioritised scrutiny, it was **agreed** to defer discussion of this item until the next meeting.

Corporation Report

41.21 In presenting the Autumn Corporation Report, the Principal made the following observations:

- a new Health & Safety Officer had now been appointed;
- there was a need to ‘refresh’ Governor connections with regard to the Governor Champion programme, notwithstanding the limitations of Covid-19;

- it was planned to organise 'learning walks' for Governors prior to future meetings to increase understanding and awareness of College activities;
- the website was being continually updated with new College information and Governors were encouraged to periodically to refer to this.

Any Other Business

42.22 The Chair wished everyone a very Happy Christmas. There being no further business, the meeting closed at 17.56, the date of the next meeting being confirmed as **Tuesday 22 February 2022 at 4.00pm.**