

Minutes of the Meeting of the Board of Corporation

Date:	Tuesday 6 July 2021	Room number	Via Microsoft Teams
Present:	Mark Farrar (Chair) Mark Bass (Vice-Chair) Yvonne Kelly (Principal/CEO) Forhad Altafi (FA) (Staff Governor) Andrew Brown (AB) Stuart Fraser (SF) Sarkis Mazmanian (SM) Bal Panesar (BP) Doug Trengove (DT) (Staff Governor)		
In attendance:	Wijay Pitumpe (Chief Finance & Enterprise Officer) Joy Kettle (Chief Operating Officer) Maxine Deslandes (Director of Finance & Estates) Victoria Eastwood (Chief Governance Officer)		
Apologies	Evelyn Carpenter and Carole Ditty.		

1.	Apologies for absence and Declarations of Interest			
	Apologies for absence were received from Evelyn Carpenter and Carole Ditty.			
2.	Declarations of Interest			
	Governors were reminded of their responsibility to declare an interest in relation to specific items on the Agenda if appropriate. None were anticipated.			
3.	Minutes of the Previous Meeting of the Corporation – Monday 26 April 2021 and Notes from the Strategic Planning Event of the same data.			
	The Minutes of the Meeting held on Monday 26 April 2021 and Notes from the Strategic Planning Event of the same date were agreed as a true and accurate record.			
	Approved: That the Minutes of the Meeting held on Monday 26 April 2021 and Notes from the Strategic Planning Event held on 26 April 20201 were agreed as a true and accurate record.			
4.	Matters arising			
	An update on outstanding actions from the April Corporation meeting was provided:			
	Agenda Item	Action	Responsibility	Timescale
	3.	OfS correspondence to be issued to the Corporation for feedback.	CGO	ASAP
	4.	Applications report to be presented at the June Performance & Standards Committee Meeting.	CGO/COO	June 2021
				Update
				Complete
				Complete

6.	Report on progress against BFELG 10 principles to be presented at the July Corporation meeting.	CTO	July 2021	Complete
7.	Briefing paper to be prepared for Governors to provide to potential Governor candidates.	CTO	ASAP	Ongoing
8.	Instrument & Articles to be amended to allow for electronic signatures.	CGO	ASAP	Complete
8.	Separate meeting to discuss self-assessment to be convened prior to the July Corporation meeting.	CGO	July 2021	To be scheduled September 2021 in agreement with the Chair
Strategic Planning Event	Further discussion on curriculum presentation to take place at July Corporation meeting alongside update from Governor discussion group.	CGO/COO	July 2021	Curriculum discussion included on the agenda. Governor discussion group deferred to new academic year.

The Principal/CEO reported that the College was awaiting feedback on the response to the OfS and it was anticipated that this would be received at the beginning of July. Work was taking place on the application – the access and participation plan and student protection plan had been completed and work on the leadership and management sections were ongoing. The Chair requested for the Board to be kept up to date as timely as possible. This was agreed.

The CGO advised that a meeting of the Staffing Technical and Adaptable Resources (STAR) Ltd Subsidiary Board was scheduled to take place on the 7 July for the Subsidiary Board to approve the dissolution of the company as it was no longer required. This decision would need to be ratified by the Board of Corporation and approval by email would be sought after the meeting.

5. Chair's Actions

There were no Chair's actions.

6. BFELG – Progress against ten principles

The Chair provided the background on the Black FE Leadership Group (BFELG) highlighting the importance of the ten principles.

The Principal/CEO provided the headline response and overview of how the College was addressing the principles and it was agreed that it would be advantageous to see some of the impact measures in terms of the data and how that looked in relation to the ten principles. The Chair added that impact measures would provide the evidence for the Board to be assured of the actions in place. The Vice-Chair stated specific actions and times were required and this should be cross referenced with the EDI policy.

DT asked for clarification on the new leadership programme and kick start role. The Principal/CEO replied that the draft leadership programme had a big focus on EDI and the role of leaders and this was currently out for discussion with the Executive and Senior Leadership Teams. The College was recruiting twenty seven kick starters and currently had ten in place.

	<p>SF questioned whether the College needed to be clearer in emphasising that there were no barriers (consciously or unconsciously) to preclude any ethnicity. The Principal/CEO responded that the data would need to be analysed to ensure no one was falling through a gap.</p> <p>The Chair advised that the report required specific actions and times to tighten the clarity of what was being done using the data. The Principal/CEO confirmed that the data would be presented at both the Policy & Resources and Performance & Standards Committees.</p> <p>Agreed: That the current position be noted.</p>
	<p><i>It was agreed that Agenda Item 9 would be taken at this point. Please refer to Item 9.</i></p>
7.	<p>Financial Management Reporting Year-end Forecast as at 31 May 2021</p> <p>The CFEO reported that the key issue was the position with the GLA and the GLA and ESFA were working in different timelines. The delivery thresholds for the GLA/AEB were still under consideration. Currently, at least 90% of adult funding would need to be achieved to be granted the full allocation. The College was in discussions with the GLA to request a lower threshold i.e. 70% to receive the full adult funding, however, a decision had not yet been received. The College would be submitting a business case as advised by the GLA by 31 July 2021. A decision was expected in September 2021.</p> <p>The Corporation were advised that the College would have a deficit of £971K (group position of £911K deficit) based on an AEB GLA funding threshold at 90% and the College would have a surplus of £11K (group position of £71K surplus) based on an AEB GLA funding threshold at 70%. The impact on the financial health and banking covenants were detailed in the report.</p> <p>The CFEO highlighted the following key points:</p> <ul style="list-style-type: none"> • All orders were being approved by the CFEO and challenged as appropriate to ensure only critical expenditure has been spent • Staff managed budgets well <p>The Chair questioned whether the College needed to discuss the position with the Auditors given that the decision by the GLA would be made after approval of the accounts but before they were completed and signed off. The CFEO replied that he had met with the Auditors earlier that day and they were comfortable with what was being presented as the actual audit would not be signed off until the end of October 2021.</p> <p>The Chair asked whether, aside from the GLA position, everything else was on track. The CFEO confirmed that this was broadly the position, advising that apprenticeships carried additional risk.</p> <p>The CFEO reported cash balance as at 31 May 2021 were £6.179m with the year cash position forecast at £5.129m (GLA 90% threshold) and £6.111m (GLA 70% threshold). The College still had access to the revolving credit facility with Barclays. The Chair recommended that the recruitment freeze be operated for the foreseeable future not just until August. E block refurbishment was at the final design stage and expected to be completed by March 2022.</p> <p>Discussion took place on the current position regarding capital expenditure highlighting that the IoT capital had now been signed off from the DfE; F Block would finish at the end of August to be available at the beginning of the new academic year.</p> <p>Agreed: That the current position be noted.</p>
8.	<p>Annual Budget & 3 Year Financial Forecast including CFFR</p>

The Chair noted that this report had not been scrutinised by the Policy & Resources Committee and stated that the College was projecting a balanced budget for the year coming and some assumptions were more critical than others.

The CFEO highlighted the following key points:

- Annual budget 2021/22 – if the College achieved a break even position – financial health outstanding
- 16-18 funding had been confirmed
- AEB confirmed
- 2.5m apprenticeship income target
- Only known grants included – no additional assumptions
- Teachers pension scheme -confirmed funding – costs would not increase until the next valuation
- All assumptions for the Annual Budget 2021/2022 and Forecast Annual Budget 2022/2023 were detailed in the report.
- A sensitivity analysis was also included

The Principal/CEO stated that a discussion surrounding scrutiny was required and the monthly profile and pipeline for the apprenticeships needed to be shared. There was confidence in certain areas with regard to September targets and growth from CNet (partnership two cohorts of 37, another three cohorts next year) and that projects and bids would come to fruition.

The Chair suggested provisional or interim agreement to the budget for this to be presented to the Policy & Resources Committee and the next Board meeting for ongoing scrutiny. The College needed to ensure what was in the pipeline, which sectors, what was the timeline and how costs would be cut. In addition, further information was required on the volumes that dipped for 16-18 and adults and what volumes were being targeted. The Chair further advised that staff were a huge cost and the detail for the average salary cost per head was required as there was no head count included in the paper.

The Principal/CEO reported that the 'wriggle room' in staffing had declined and the College would need to react quicker and consider a Section 188 going forward. Learner target numbers would be shared with the Committees.

SF stated that the Corporation had agreed to a zero budget the previous year and now a forecast was deficit dependant of the outcome from the GLA. The Chair advised that if the GLA decision did go against the College then it primarily affected the current year and the open cash position for the new academic year.

SF stated that pay and non pay expenditure had been well controlled but the College had still not achieved the full savings required to reflect the lower income. The Principal/CEO replied that the several lock downs had impacted on the position but the College was now hoping to reset.

Detailed discussion took place on approval of the budget based on a series of assumptions and in light of the uncertain position with the GLA. It was agreed that the budget must be approved to allow submission to the ESFA but that the assumptions contained within the budget would need to be constantly tested.

The Corporation approved the budget and noted that the decision for the GLA was still unknown and their decision had therefore been based on the assumptions that have been used in a time of exceptional uncertainty.

The Corporation were also informed that the ESFA had introduced a new template for FE Colleges to submit their financial data by 31 July 2021 (College Financial Forecast Return – CFFR). The current financial year 2020/2021 outturn forecast, the annual budget for 2021/2022 and the forecast annual budget for 2022/2023 data provided in the report would be submitted in this return. This was approved.

	<p>Approved: The Annual Budget for the financial year 2021/2022 and the Forecast Annual Budget for the financial year 2022/2023 were approved. The data for inclusion in the CFFR return was approved.</p> <p>Action: Key assumptions in the budget to be tested through Policy & Resources Committee and Corporation meetings going forward.</p> <p>The Chair recorded his thanks on behalf of the Corporation to the CFEO and DOFE for their work on this.</p>
<p>9.</p>	<p>Curriculum Offer 2021/22</p> <p>The COO reported that there was an emphasis on employer led and employer engagement which had been discussed at the Performance & Standards Committee meeting. The following key points from the curriculum offer were noted:</p> <ul style="list-style-type: none"> • Move from A-levels to technical programmes • T-level offer for September and expansion to 2024/25 • Lost learning – learners benefiting from catch up fund. Catch up fund would be available for 2021/22 • Need to ensure informing and involving employers • Apprenticeship offer – increase L4 and L5 • Employer in work training • Traineeships • In work pilot – support the IoT • New HE portfolio with additions in construction and engineering • Lifelong learning agenda • Priorities and challenges in London supporting adults to progress • Wider impact on mental health <p>Planning priorities:</p> <ul style="list-style-type: none"> • Study programme for adults • Emphasis on digital skills, online learning and family learning • Unemployed into work • Bite size qualifications e.g green agenda <p>Development:</p> <ul style="list-style-type: none"> • Sector work programmes eg civil services • Growing bitesize and upskilling and reskilling eg business, food • Level 3 - six specific areas to priorities and focus on <p>SF questioned how the catch-up fund would be spent. The COO replied that the fund would be used in a similar way to the current year in terms of looking at English and maths skills and mental health.</p> <p>SF asked if it was possible to match income to the new initiatives. The COO responded that this would be included going forward. The Principal/CEO added that most of this was already included within the budget, however, in work training and catch up was yet to be confirmed.</p> <p>The Chair thanked the COO for a useful report.</p> <p>Agreed: That the current position be noted.</p>
<p>10.</p>	<p>Performance & Standards Committee Report including Admissions Policy</p> <p>AB, Chair of the Performance & Standards Committee, advised that a lot of the topics for discussion had been covered in the curriculum offer report. Key highlights from the meeting were noted:</p>

- Exceptional set of circumstances in terms of engagement of learners – discussed being able to make judgements about engagement which are not wholly about attendance
- Discussion on online learning and measuring attendance for those that worked independently and not logged onto the lesson
- Importance of learner voice
- Employer engagement/stakeholders
- Areas of concern
- Good work in sharing good practice
- Lot of amber ratings in the report with is a function of circumstance

In response to a query from the Chair, AB advised that if learning was taking place in a managed environment it was able to be traced but this was dependant on where the learner was accessing the lesson etc. AB urged the Corporation to read the Teaching, Learning and Digital strategy available on the Boardpacks portal which indicated that the College had learnt a lot from the experience of coming through the unusual set of circumstances.

FA stated that the College needed to be mindful how to document if a learner did not attend a specific lesson but caught up afterwards.

AB advised that the Performance & Standards Committee had approved the Admissions Policy to be ratified by the Corporation. The Corporation ratified this approval.

Approved: The Admission Policy was approved for future use.

11. Broadway Discussion

The Vice Chair, Chair of the Broadway Subsidiary Board, highlighted the following:

- The Theatre was not yet in a position to move to a learning theatre
- Budget and transition plan continuing over the summer
- Theatre put together a budget that runs to the end of the pantomime season – full programme of events to the end of the year
- Temporary staff need to be recruited
- 3 year budget and transition plan to be provided back to the Board

AB questioned whether the transition to a learning theatre was a transition from a profit line to a cost. The Vice-Chair confirmed that the transition relied on structuring a programme and getting funding and appropriate staff for that programme.

Agreed: That the current position be noted.

12. Policy & Resources Committee Report including Financial Regulations, EDI, Gender Pay Gap and Freedom of Information Policy

In the absence of the Committee Chair, the CGO provided an update on the following:

- Summer marketing campaign
- EDI report
- Management accounts
- Health and safety update – further meeting had been scheduled to consider policies

The Corporation were advised that the Committee had approved the Financial Regulations and Freedom of Information Policy and minor changes to both documents were discussed. The Financial Regulations and Freedom of Information Policy had been made available to the Corporation for review and to ratify the Committee's approval. This was approved.

	<p>The Vice-Chair suggested that as the link Governor for EDI, he should have been in attendance for the part of the meeting to discuss this area. This was agreed and would be embedded into the business cycles going forward.</p> <p>SF stated that there was a need to ensure that the College had a firm plan regarding employer engagement and employers shaping the curriculum. The Principal/CEO responded that the employer engagement strategy with the marketing plan in terms of vision and priorities for consideration would be presented to the Policy & Resources Committee</p> <p>Approved: The Corporation approved the Financial Regulations and Freedom of Information Policy for future use.</p>
<p>13.</p>	<p>GDPR Update</p> <p>The CGO reported that the internal audit of GDPR had been positive and confirmed that all control and compliance measures were in place. Any actions identified on the GDPR plan as amber would be rolled over to the new plan for the 2021/22 academic year. The Corporation were informed that a clear desk policy was intended to be in place going forward.</p> <p>In response to a query from the Vice-Chair, the CGO confirmed that all relevant documents had been amended to reference the UK GPDR since Brexit came into effect.</p> <p>The Chair asked whether marketing consents etc had been considered. The CGO replied that a full review of marketing had taken place with the new Head of Marketing and all consents including online applications had been updated.</p> <p>Agreed: That the current position be noted.</p>
<p>14.</p>	<p>Audit Committee Report including Risk Register</p> <p>The Vice Chair, Chair of the Audit Committee, highlighted the following key items discussed by the Audit Committee:</p> <ul style="list-style-type: none"> • Cyber security review had not yet taken place • Joint Audit Code of Practice • H&S and HR audit actions ongoing – due dates for HR policies were far too long • IT audit - main issue was the lack of documentation • Progress of follow up audit - too many actions passed the date • Changes to Committee membership being addressed <p>The Corporation were informed that improvements had been made between the 19/20 and 20/21 learner numbers audits but essentially there were systemic failures in the reporting of apprentice learner numbers. The Principal/CEO advised that a lot of hard work had taken place to ensure the position was corrected and although this was a matter of concern, there was no financial risk. The accuracy of the data could have an impact on the findings and the report highlighted the potential funding impact and should not be repeated. It was noted that timelines needed to be sharper and the internal audit process for these areas needed to be considered. The next audits were expected to be clean.</p> <p>The Chair stated that with any internal audit points there should be a responsible person and Executive responsibility also applied.</p> <p>The Principal/CEO informed the Corporation that the GLA audit had been deferred as the team had already been through two internal audits and their wellbeing needed to be considered.</p> <p>The Committee Chair reported that a formal tender process had taken place for the appointment of the internal and external auditors. Thanks were recorded to the DOFE and Finance Team for their work on this. The process was discussed and the Corporation were advised that Scrutton Bland had been appointed as the College's Internal Auditors based on performance and price and MacIntyre Hudson</p>

had been retained as the College's External Auditors based on presentation and pricing. Contracts for both parties were awarded for three years. The Corporation were asked to ratify the Audit Committee's appointment of Scrutton Bland and re-appointment of MacIntyre Hudson. Approval was confirmed.

Approved: The Corporation approved the appointment of Scrutton Bland as the College's Internal Auditors and the re-appointment of MacIntyre Hudson as the College's External Auditors for a three year term commencing 2021/22.

15. Search & Governance Committee Recommendation

The Chair reported that the Search & Governance Committee had met with three potential candidates for Corporation membership, their CV's had previously been supplied to the Corporation. The Committee recommended that all three candidates be appointed for a one year term of office in the first instance to allow review from both parties. A one year probationary period for incoming Board members would be standard practice going forward. It was noted that the Committee had previously had concerns regarding a conflict of interest for Bim Osunsami given her role at a HE College with FE links and it was agreed that appointment would be subject to the signing of a non-disclosure agreement.

After further discussion, the Corporation ratified the Search & Governance Committee recommendation and the approval of the appointments as follows:

Nick Kavanagh to be appointed to the Corporation for a one year term of office in the first instance, membership of the Audit Committee to run concurrent with the term of office;
Talha Ahmad to be appointed for a one year term of office in the first instance, membership of the Performance & Standards Committee to run concurrent with the term of office;
Bim Osunsami to be appointed for a one year term of office in the first instance, membership of the Audit Committee to run concurrent to the term of office. Appointment subject to the signing of a non-disclosure agreement.

The Corporation were advised that Stuart Fraser's term of office expired at the end of July 2021 and Stuart had expressed an interest in continuing for a further two years with an employer engagement focus through the Directing Body and TSAG, therefore stepping down from membership of the Committees. This was unanimously agreed.

Approved: Stuart Fraser be appointed for a further two year term of office.

The Chair advised that as the current Vice-Chair was stepping up to the role of Chair as from the end of this meeting, a Vice-Chair of the Corporation was required and Governors were asked to consider this. In addition, the Search & Governance Committee had approved the use of an external agency to recruit to the role of Chair.

The Corporation were informed that Sarkis Mazmanian would step back from his role on the Corporation as from the beginning of October 2021 with a view to membership being reviewed in one year. The Chair, on behalf of the Corporation, thanked Sarkis for his commitment and contributions to the Board and it was hoped to see him on the Board again in the future.

Due to the changes in membership, the Corporation approved the following recommendations to Committee membership and the ELIOT Directing Body:

Approved: Andrew Brown to replace Mark Farrar as the Alternate Representative on the ELIOT Directing Body (Mark Bass to Chair the Directing Body going forward);
Stuart Fraser to join the ELIOT Directing Body as Chair of TSAG
Carole Ditty to join the Remuneration Committee
Andrew Brown to Chair the Broadway Subsidiary Board

16.	<p>Revised Corporation Standing Orders</p> <p>The CGO reported that the Standing Orders had been revised to reflect the changes made to the Instrument & Articles of Government and to bring them up to date with current practise. The amendments to the Standing Orders were highlighted.</p> <p>Approved: The Corporation Standing Orders were approved for future use.</p>
17.	<p>Compliance against the Code of Governance</p> <p>The CGO advised that the Search & Governance Committee had initially reviewed compliance against the Code of Governance and agreed the proposed action plan. Governors had received the compliance matrix and action plan in advance of the meeting and thanks were recorded to all Governors who had responded via email. No issues had been highlighted.</p> <p>The Corporation were informed that a revised Code of Governance was expected to be issued by the AoC at the end of July 2021, however, it was noted that there would be a twelve month grace period for compliance against the new Code.</p> <p>Approved: The Corporation approved the Board’s position for compliance against the Code of Governance and the action plan in place to ensure full compliance. The action plan to be considered at the September Board Development Event.</p>
18.	<p>AoB – ESFA Financial Health Letter – For Information</p> <p>The ESFA financial health letter was noted and thanks were recorded to the CFEO, DOFE and teams.</p>
Date and time of next meeting – To be arranged – Board Development Event (September 2021)	

The Chair thanked all those in attendance for their contributions and the meeting closed at 6.15pm.

As this was the last meeting for the Chair, CFEO, COO and Sarkis Mazmanian, thanks were recorded to all with best wishes for the future.

Agenda Item	Action	Responsibility	Timescale	Update
8.	Key assumptions in the budget to be tested through Policy & Resources Committee and Corporation meetings going forward.	CFO	October 2021	Completed/ Ongoing
17.	Code of Governance action plan to be considered at the Board Development event.	CGO	September 2021	Complete

Signed.....
Mark Bass (Chair)

Date.....