

Minutes of the Corporation Meeting Held at 3.30pm on 12 December 2023

Present: Prue Amner, Liz Byrne (from 4.30pm), Huw Chapman, Mark Cooper, Graham Goddard, Tim Jackson, Lyndsey Mason (staff governor), Anne Murphy, Shirley Nellthorpe (from 4.30pm), Rob Nitsch (Chair), Katy Quinn (Principal & CEO), Liz Rix & Pauline Tiller.

Apologies: Shahalam Ali, Noodles Bainbridge (student governor), Ashley Cullen, Alex Dartmouth, Ben Fairweather (student governor) & Mike Stoneham

In Attendance: Chris Mantel Alliotts (Minute 233. Virtual attendance)
Matt Phelps Deputy CEO/Deputy Principal Curriculum & Quality
Paola Schweitzer Director of Governance
Maria Vetrone COO

Minutes

224 Attendance and Participation

Shahalam Ali, Ashley Cullen, Alex Dartmouth & Mike Stoneham sent their apologies. Corporation **Noted** the election of Ben Fairbrother (SU President) and Noodles Bainbridge as student governors.

225 Declarations of Interest

There were no declarations of interest.

226 Matters for Decision

The minutes and confidential minutes from the meeting held on 10 October and the special meeting held on 13 November 2023 were **Agreed** as correct records.

227 Matters Arising

Governors **Noted** that matters arising were either complete or on the agenda, including **Minute 214: Corporate Dashboard** (the dashboard had been amended accordingly).

228 Chair's Introduction

Rob was involved in the Ofsted monitoring and FE Commissioner visits. The outcomes were positive and he thanked governors and senior leaders for their hard work.

229 Principal & CEO's Report (paper 523/23/C)

The impact of work over the last 18 months was now being seen however a great deal of work remained. Key developments, aligned to the strategic goals and risks, included:

- Meeting curriculum planning target enrolments
- Securing exceptional in-year funding equating to c£750,000

- Positive Ofsted monitoring visit with one *significant progress* (leadership and management) and three *reasonable progress* judgements providing assurance that the College was making good progress in improving quality.
- Positive FE Commissioner (FEC) visit resulting in the recommendation that the College was removed from FEC intervention. The College would now work with DfE to confirm the process for removing the financial notice to improve.
- Excellent financial outturn position for 2022/23, resulting in a significant reduction in the operating deficit position and an ESFA assessment of *good*.

The College had written to staff about pay and terms & conditions. Discrepancies between old job descriptions and job families would be addressed before pay awards were made in January (backdated to December). Lyndsey confirmed that the College closure/additional leave over Christmas had been well received by her colleagues but the pay review had less of an impact. Tim asked how the new approach to the emerging risk around capital developments would be more effective, to which Katy responded that monthly meetings chaired by the external consultant and involving all relevant departments would enhance communication which had been problematic. GCSE Maths and English (ME) attainment in the city was low and the increased number of resit students was leading to staffing and timetabling challenges. These were being addressed in several ways. The long term aim was to create an ME zone to raise the profile and foster a sense of belonging. One governor suggested that the College inform local politicians about the successful Ofsted and FEC visits. There was a discussion about stakeholder engagement and in particular business development. Employer Advisory Board (EAB) meeting dates would be circulated. Stakeholder engagement and student achievement/attendance would be discussed at the Board Strategy Day (29 January 2024). Governors **Noted** the Principal & CEO's Report.

230 Corporate Dashboard (paper 524/23/C)

The corporate dashboard showed progress against the key performance indicators (KPI's) for 2023/24 as at December 2023. Highlights included:

Strategic Goal 1: Inspirational, aspirational and inclusive place to work and learn: Capital investment as a percentage of income was 15.97% of income (6.97% target). The College had benefitted from government funding in 2022/23.

Strategic Goal 2: A responsive and relevant curriculum offer: The College was offering 19 Apprenticeship standards (21 target). Underperforming programmes had been closed and other standards could be delayed whilst the College focused on improving quality. 56% of the College's courses were in LEP/LSIP priority areas (57% target).

Strategic Goal 3: High Quality teaching, learning and assessment: The College was likely to be inspected in Autumn 2024. 11% of full-time students had relevant work experience. This would increase as more students were supported (to date the focus had been on those requiring work experience). Matt was confident of improvement as there was now a work experience team and a mature reporting system. There was a discussion about amending this target and it was agreed that it should be nuanced. The current number of out of funding apprentices (OOFs) was at 53%. This was forecast to decrease as OOFs either achieved or were withdrawn by the end of March 2024. This approach was critical to enabling the quality improvements needed and had been validated during the Ofsted visit. ELT would continue to review this area weekly and manage the College's reputation.

Strategic Goal 4: Trusted Partner for the communities we serve: There had been 1,051 Year 11 applications to date (70 more than the same time in 2022/23). The conversion rate at the start of 2023/24 had increased from 65% to 71% reflecting the wider

improvements being made across the College. The number of high needs students was 227 (232 target) and would increase.

Strategic Goal 5: Stabilised and sustainable finances: There were 3,166 16–18-year-olds at the 42-day census point (128 above the allocation of 3,038) and the College had successfully bid for in year growth funding. There were fewer apprentices than forecast due to fewer planned September starts. Financial health was projected *Good*. Pay expenditure as % of income was 68.3% (68.8% target).

Governors **Noted** the corporate dashboard.

231 Management Accounts (paper 525/23/C)

The management accounts had been reviewed by F&R Committee the previous week.

The accounts at 31 October 2023 indicated an operating surplus of £135k. This was favourable to year to date (YTD) budget by £193k. The forecast outturn indicated an operating deficit of £1,039k, which was favourable to the full year budget by £436k. The forecast outturn income was favourable to budget by £1,008k. The full impact of additional funding had not been realised in the financial forecasts because of the downgrading of income forecasts for apprenticeships due to continued slow pipeline starts and additional withdrawals. Cash at bank at 31 October 2023 was £4,597k (49 cash days), an improved position meaning cash no longer represented a significant risk. The College continued to forecast *Good* financial health. Maria summarised that the College's financial position had strengthened and finances would continue to be carefully managed. Governors **Noted** the October 2023 Management Accounts.

232 Strategic Risk Register (paper 526/23/C)

The strategic risk register was recommended to Corporation for approval by Audit Committee at its meeting the previous week.

The register provided an update on strategic risks including movements in net risk and mitigating actions. There were 25 strategic risks: seven were significant/business critical and nine high. The Strategic Risk Management Board (SRMB) reviewed the register in November 2023. Shirley had observed the meeting and believed risks were being well managed. Governors discussed health & safety with Maria confirming that the risk concerned future proofing the College as opposed to non-compliance. Shirley confirmed the matter had been raised at SRMB and that she had invited an external advisor to meet with the VP Student Experience and herself to address the College's open campuses. Anne noted recent research about balancing the need to create welcoming spaces, particularly for those with protected characteristics, with creating a safe environment. Governors **Agreed** the strategic risk register.

233 Audit Committee Annual Report to Corporation inc. External Audit Management Report (paper 527/23/C)

Chris joined the meeting virtually.

Audit Committee was required to give its opinion on the adequacy and effectiveness of the College's audit arrangements, framework of governance and risk management to Corporation annually.

The Committee concluded that, based on its work and reports in 2022/23, the Corporation's assurance arrangements, framework of governance, risk management and control procedures for the effective and efficient use of resources, solvency and the safeguarding of assets were adequate and effective. Alliotts, the College's external auditors, agreed with this opinion. Tim asked about the high level recommendations referenced and Shirley provided assurance that there were fewer issues with the Single College Register as systems were now much more robust. In response to a question, Shirley stated the VP Student Experience and Director of People Strategy & Organisation Development were working as quickly as possible and that all outstanding issues would be resolved by the end of January. This would be confirmed to governors through safeguarding feedback (Paola to highlight to governors). Chris drew governors' attention to the External Audit Management Report confirming that Alliotts supported the College's underlying going concern assumptions and intended to issue a clean opinion on its financial statements. Rob noted that Chris had presented the report to Audit Committee and it had been discussed at length.

Governors **Noted** the Audit Committee Annual Report to Corporation and the External Audit Management Report.

Chris left the meeting.

234 Financial Statements 2022/23 & Letters of Representation (paper 528/23/C)

Maria presented the draft audited College Group 2022/23 financial statements, including the draft annual report and an overview of results. F&R Committee and Audit Committee had considered the financial statements and annual report including the notes to the accounts, governance statements and audit opinions. The College had to submit these documents to the ESFA by 31 December 2023.

The College Group (including subsidiary companies) posted an underlying operating deficit of £436k excluding FRS, achieved against a planned underlying operating deficit of £878k. Total income was £30.83m, up from £28.57m in 2021/22. Total expenditure was £31.34m (£32.39m 2021/22) meaning the Group generated an operating deficit after other gains and losses of £577k (£3.82m deficit 2021/22) including FRS 102 adjustments. The Group achieved all budgeted measures and targets and exceeded the financial health score target of *Requires Improvement* to achieve *Good* financial health. Performance against the national benchmark for EBITDA was still weak and was being addressed through the development and implementation of a new five-year financial strategy. The Group had adequate resources to continue in operational existence for the foreseeable future and going concern had therefore been adopted. Tim noted that the financial statements represented a good turnaround on the College's financial position. He welcomed the readable report, noting it was a useful document for stakeholders. There was a brief discussion about the fact that it was now difficult, if not impossible to borrow, following reclassification to the public sector.

Governors **Agreed** the draft audited College Group financial statements and the annual report for the year ended 31 July 2023.

235 Self-Assessment Report & Quality Improvement Plan (paper 529/23/C)

The purpose of the report was to consider the self-assessment report (SAR) and grades for 2022/23 and quality improvement plan (QIP) for 2023/24. L&Q Committee had considered both documents. The College's overall effectiveness, quality of education,

behaviour and attitudes, personal development and leadership & management were all self-assessed as *Requires Improvement*. L&Q Committee believed the SAR was articulated and triangulated well and governors had particularly enjoyed the information about students' progress. Prue drew governors' attention to the curriculum area grades to inform governors' link visits. Matt clarified that leadership & management's *significant progress* judgement following the Ofsted monitoring visit concerned progress made since their previous visit, not impact as measured by the SAR. Governors **Agreed** the SAR 2022/23 including grades & QIP 2023/24.

236 Estates & Sustainability Committee Update (papers 530/23/C & 531/23/C)

Tim gave an overview of the Committee's activity and drew governors' attention to paper 530/23/C concerning the College's lease arrangements. E&S Committee had agreed that the College had no choice but to extend the Arundel 1 lease until 2028 as it didn't have sufficient funds to afford the dilapidations. In response to a question, Maria stated she was drafting a five year financial strategy developing the College's financial position so it had greater freedom. Governors **Agreed** to extend the lease on Arundel 1, to invest in more efficient utilisation of Arundel 1 & 2 and to terminate the lease on Quayside Tower, Birmingham upon expiry. Governors **Noted** the North Harbour Campus rent review which would commence on 19 December 2023. An increase was anticipated, and this had been provided for in the budget. Governors also **Noted** E&S Committee's minutes from 07 November 2023.

237 Search & Governance Committee Update (paper 532/23/C)

Mark gave an overview of Committee activity including succession planning and the link governor scheme. He reminded governors to log their visits so impact could be more easily measured (Paola to circulate link). Governors **Agreed** the 2023/24 governor link scheme and training & development policy and **Noted** the external review of governance provider and S&G Committee's 20 November 2023 minutes.

238 Learning & Quality Committee Update (paper 533/23/C)

Prue gave an overview of the Committee's activity including the EED&I targets and amendments to the curriculum planning lifecycle. Governors **Agreed** the Comments, Compliments & Complaints Policy and **Noted** L&Q Committee minutes from 29 November 2023.

239 Finance & Resources Committee Update (paper 534/23/C)

Rob gave an overview of the Committee's activity. Governors **Agreed** the FE fees policy 2024/25, Procurement & Contract Management Policy and subsidiary accounts and **Noted** the Statutory Settlement Payments.

240 Audit Committee Update (paper 535/23/C)

Most issues discussed by Audit Committee had already been covered on the agenda but Pauline added that the Committee had also considered the performance of the auditors through a set of KPIs and that they were judged to have performed well.

Minutes 241 – 243 were confidential.

The meeting ended at 6pm.