

Minutes of the Corporation Meeting Held at 5pm on 04 October 2022

Present: Shahalam Ali, Prue Amner, Ashley Cullen, Alex Dartmouth, Graham Goddard, Katie Hill (staff governor), Tim Jackson, Samantha Miller (staff governor), Shirley Nellthorpe, Rob Nitsch, Paul Quigley (Chair), Katy Quinn (Principal & CEO) and Pauline Tiller.

Apologies: Mike Stoneham & Mark Cooper

In Attendance: Matt Phelps Deputy CEO/Deputy Principal
Paola Schweitzer Director of Governance
Maria Vetrone COO

Minutes

Prior to the meeting, Frances Mullen, Vice Principal Student Experience provided refresher safeguarding training to governors advising them of their responsibilities, safeguarding leads within the College and changes to the *Keeping Children Safe in Education* (KCSIE) document. Paola would circulate the slides and KCSIE document to governors after the meeting.

1 – Standing Items

125 Attendance and Participation

Mike Stoneman and Mark Cooper sent their apologies.

126 Declarations of Interest

There were no declarations of interest other than those previously declared.

127 Matters for Decision

The minutes and confidential minutes from the meeting held on 21 July 2022 were **Agreed** as correct records.

128 Matters Arising

Governors **Noted** the matters arising.

129 Chair's Report

Paul stated that he had agreed by Chair's Action that he and Katy would be directors for the College's three subsidiary companies: HC Commercial Services Limited, Highbury Apprenticeships (Birmingham) Limited & New Work Training (NWT) Limited, noting that once the 2021/22 accounts had been submitted, NWT Limited would be closed. He and Katy had received confirmation from Companies House concerning the first two companies, with the third to be actioned. In response to a question, Maria confirmed that only Highbury Apprenticeships (Birmingham) Limited was active, due to the leased Birmingham property, and that the appropriate insurance was in place.

130 Principal & CEO's Report (paper 238/22/C)

Katy presented her Principal & CEO's report, summarising activity at the College since the last report on 21 July 2022. The report included the 2021/22 balanced scorecard and results update.

It had been a busy start to the academic year with some challenges arising from the combination of new cross-College systems and high volumes of new students. Staff had worked hard to address issues and learning points would be taken forward. A significant amount of urgent IT system and infrastructure upgrades were carried out at the Tangier Campus over the summer, along with the redevelopment of learning spaces. Some of the building work overran which meant the first few weeks did not run as smoothly as hoped. Immediate remedial actions and regular communication had been put in place to address the operational issues and things had now settled. Learner enrolment was expected to outturn at 3,057 (48 fewer than the ambitious growth target) which if achieved, would mean an increase of 109 learners against the actual 2022/23 allocation. This was positive in terms of lagged funding but also presented challenges with regards to teaching space. The FE Commissioner's team (FEC) would visit the College on 14 October to take stock of, amongst other things, the College's financial resilience and progress with the estates strategy and apprenticeship action plan. Finally, the report outlined the Senior Management Team (SMT)'s autumn priorities which included finalising the strategic plan's underpinning strategies and associated KPIs, agreeing the curriculum, student support, business support and MIS/BI staffing structures, agreeing EBS development projects, timescales and implementation plans and project planning the development and implementation of key data dashboards.

Rob asked if it was possible at this early stage to ascertain if the College had been successful in its aim to reduce the number of students leaving the island. Matt responded that the growth in student numbers was largely the result of work with key feeder schools who had referred more students than previously. The College would now focus on outlier schools where it had yet to gain traction. Tim noted that mergers were extremely disruptive and congratulated staff on the remarkable achievement in increasing student numbers within such a short space of time. Shirley asked what retention strategies were in place to ensure to retain students and Maria responded that actions included free breakfasts until October half term and

improved social space. Staff were aware of the importance of engaging with all students and setting clear attendance expectations. Whilst there were early signs of some withdrawals, there were intervention plans to facilitate course transitions.

In response to a question, Katy stated that her message to Penny Mordaunt MP when she visited the College to open the hospital ward on 07 October was to communicate the vision and mission as the College of choice for the city as well as the need for capital investment in the estate to ensure long term financial sustainability.

In response to a question, Matt confirmed that the apprenticeship action plan would be shared with FEC during their visit. The plan was an integral part of the Quality Improvement Plan considered by Learning & Quality Committee. Apprenticeship achievement was likely to be 43%, lower than the previous year's achievement rate and the national average. This was a result of withdrawing a significant number of out of funding (OOF) apprentices and delays with end point assessments. Matt noted that a huge amount of work had taken place to clean up the system including removing OOF apprentices who were no longer engaged (the College continued to support engaged OOF apprentices). Pauline had been impressed with the way Matt and the team regularly met to review each apprentice and agree what further efforts could be made to support his/her engagement. Katy believed that relatively quick and sustained improvement in 2022/23 was likely and that the numbers were looking good so far. Rob noted that apprenticeship numbers had dropped nationally.

Pauline asked how the EBS project would be developed. Maria stated that it was a rolling programme, with different elements such as pastoral support coming to fruition at different points during the year. Data would become increasingly granular and sophisticated, meaning it would be possible to identify trends etc. Katy stated there would be a corporate dashboard for governors. There were no plans to create anything further for governors however more detailed information would be brought to governors/Committees as appropriate. Matt clarified that Ofsted monitoring visits took place within 18 months of merger and the College's visit was most likely to be in the autumn or spring. There had been a successful recent advisory SEND Ofsted inspection which had resulted in good feedback and a couple of advisory points.

Katy then drew governors' attention to the 2021/22 balanced scorecard, proposing that from 2022/23 targets and achievement would be identified and monitored through the corporate dashboard. The College had performed well in 2021/22, particularly given that it was the first year of the merger and the country was still emerging from the Covid-19 pandemic.

Rob noted that everything seemed to have gone better than expected and asked if it was too good to be true. Katy believed things were going well, with a solid Executive Leadership Team and SMT, but that the start of the academic year had been bumpy. The reasons for this were understood and work was underway to put things right, including reviewing staff organisation below SMT level. Rob noted the importance of valuing and retaining staff and asked how the governing body could support management. Samantha noted that whilst a letter of thanks from governors would be welcome, financial reward would be more welcome, particularly as staff at a

neighbouring college had recently been awarded a 4% pay increase and £400 bonus. Katy stated the College was not currently able to offer a more substantial pay rise and stressed the importance of communicating honestly with staff. Tim asked Katy to convey the Board's thanks to staff and noted that when the budget had been agreed, governors had asked management to review the situation with a view to offering something further to staff. Alex wondered if it might be possible to offer non-financial rewards. Katy emphasised the importance of continuing the dialogue with staff and invited further suggestions from the staff governors.

Governors **Noted** Principal & CEO's Report including the 2021/22 balanced scorecard and results update.

131 Strategic Business Plan & Corporate Dashboard (paper 239/22/C)

Katy presented the strategic business plan 2022/26 and corporate dashboard.

Katy stated that the business plan had been amended in line with discussions at the strategy day on 23 September 2022, including amending some of the key headings to incorporate the College's commitment to its stakeholders. With regards to accessibility, she noted that the document was in line with the agreed branding but that, as the plan would predominately be electronic, accessible versions would be available on the website. Paul congratulated Katy and her team, noting how far the College had come in the last year and stated that the plan gave the College a clear and unique identify. Several suggestions were made such as incorporating the nautical alphabet to reference the origin of the flag branding and adding the vision on the front cover. Katy confirmed that the FEC team had already received the draft version and would receive the updated version during their visit.

Katy drew governors' attention to the corporate dashboard, noting that proposed 2022/23 targets had been added. It was proposed that the October Corporation meeting would review the previous year's outturn and set targets for the new academic year. Katy responded to a query raised by Pauline prior to the meeting in which she noted that the business objectives did not always correlate with the KPIs, stating that some KPIs covered more than one thing and that it was important to leave some flexibility to respond to external events such as funding opportunities.

Governors **Agreed** the Strategic Plan, Corporate Dashboard and 2022/23 KPIs.

Minute 132 was Commercial in Confidence

133 Management Accounts: P12

Maria presented paper 241/22/C and gave a [PowerPoint presentation](#) on the period 12 (July 2022) Management Accounts, noting that Finance & Resources Committee had considered the accounts at its meeting on 27 September 2022.

As at 31 July 2022, the College was still tracking close to the budget with a full year actual operating deficit of £2,002k (£164k adverse to budget). The forecast final

outturn indicated an operating deficit of £1,919k, which was £83k adverse to budget. The forecast final outturn operating deficit had deteriorated by £10k from June 2022. Total forecast final outturn income was favourable against the budget by £318k. Total forecast final outturn pay expenditure was showing cost savings of £888k against the budget, mainly from curriculum staffing and because of vacant posts and the requirement for fewer teaching hours following the finalisation of timetables after enrolment in 2021. Total forecast final outturn non-pay expenditure was showing an overspend of £1,289k, mainly due to additional costs associated with Covid-19 during the year, higher examination and registration fees, significant additional premises maintenance costs, and significant additional unbudgeted costs. There would be a full reconciliation of the forecast final outturn with the audited final outturn in the financial statements for the year ended 31 July 2022 (the first draft of which was currently with the external auditors).

Maria's presentation provided greater detail on all aspects of the management accounts and identified the five financial pressure points during 2021/22:

- £392k income deficit on Apprenticeship provision due to shortfalls from 16-18 Apprenticeships (£257k) and 19+ Apprenticeships (£135k).
- £499k income deficit from FE self paying learners due to shortfalls from FE student loans (£116k), FE tuition fees (£306k) and full cost provision (£77k).
- £565k overspend on premises maintenance and running costs comprising utilities inflation (£340k) and urgent H&S electrical and mechanical maintenance (£225k)
- £291k in additional exam fees due to unbudgeted price and volume increases
- £300k due to impact of Covid-19 from reduced nursery income (£141k) and precautionary H&S mitigating actions (£159k).

Maria then drew governors' attention to the KPIs which evaluated performance against the College forecast as well as FEC and national benchmarks. The College continued to be graded financial *Requires Improvement*.

In response to a question, Maria stated that a great deal of work had taken place during the year to rectify the coding of costs and that the College had started the academic year with a new balance sheet. She was comfortable that the issues had been sorted but noted she was reliant on budget holders using the correct codes. In response to another question Maria confirmed that the College only had very small loans and so met the *borrowing as a percentage of income* benchmarks.

Governors **Noted** the July 2022 Management Accounts.

134 Governance Matters

Paola presented paper 242/22/C setting out recommendations following the recent Search & Governance Committee.

The first recommendation concerned Committee membership, namely that Shahalam and Ashley stood down from Estates & Sustainability Committee and Learning & Quality Committee respectively. Governors then considered the Governor

Engagement Framework which had been revised to ensure governors' expertise was used by the College more fully, as reflected in the proposed 2022/23 link and lead governor scheme. Paola stated that the Committee had also agreed an additional purpose 'to strengthen governors' sense of engagement in the College'. Rob believed there was enormous benefit of governors visiting the College and becoming more involved in its day to day life, and encouraged governors to take the opportunity. Katy welcomed this engagement. Prue recommended that governors attend a self-assessment validation panel meeting later this term as self-assessment was the single process that drove improvement.

Finally, Rob stated that the Committee had discussed succession planning for the Chair of Corporation following Paul's decision to stand down from Corporation and as Chair on 31 December 2022. The Committee had discussed the qualities it believed the next Chair needed and had agreed to ascertain the level of interest in a current governor becoming Chair. If this wasn't fruitful, an external recruitment process would be undertaken. An additional Committee meeting on 10 October would review progress to date with the intention of ensuring there was a smooth transition between Chairs.

Governors **Agreed**

- That Shahalam stand down from Estates & Sustainability Committee and Ashley stand down Learning & Quality Committee
- The revised Governor Engagement Framework and 2022/23 lead and link governors.

135 **Committee Minutes**

Governors **Noted** the Audit Committee minutes dated 20 September 2022.

Paola apologised that it had not been possible to circulate the Search & Governance Committee and Finance & Resources Committee minutes prior to the meeting. They would be circulated after the meeting and tabled at the next scheduled meeting.

136 **Recruitment Policy**

Maria presented paper 244/22/C setting out changes to the College's *Recruitment and Appointment Policy & Procedure*, noting that at its meeting on 27 September 2022 Finance & Resources Committee had agreed to recommend them to Corporation for approval.

The policy and procedure had been reviewed and updated to ensure compliance with the recently updated statutory guidance document *Keeping Children Safe in Education* (KCSIE). The review streamlined and simplified the policy and procedure to ensure they were clear and easy to follow, were legally compliant and followed statutory guidance. The key changes were the revised College staffing model, inclusion of a more clear and comprehensive recruitment and appointment procedure and inclusion of an internet search for shortlisted candidates to ensure KCSIE compliance.

Pauline suggested the paragraph on agency staff needed to be expanded to include interim posts. Prue was pleased to see that improvements had been made to the policy to ensure more rigorous right to work checks.

Governors **Agreed** the revised Recruitment Policy.

137 Strategic Internal Audit Plan & Annual Audit Plan

Maria presented paper 245/22/C setting out the draft 2022/23 strategic internal audit plan and annual audit plan, reminding governors that RSM had been appointed the College's internal auditors from 01 August 2022 for a four year period.

At its meeting on 20 September 2022 Audit Committee had discussed the internal audit plan for the year ending 31 July 2023 and agreed to recommend it to Corporation for agreement. The plan included the following areas:

- Safeguarding
- Key Financial Controls
- Learner Number Systems
- Cyber Security follow up
- Follow up
- Curriculum Planning.

Audit Committee had agreed that either curriculum planning or estates should be included in the audit and had asked management to decide which would be more appropriate. This was subsequently confirmed as curriculum planning (estates had been audited recently). The total cost for the delivery of services was £36,275 plus VAT (excluding the cost of the curriculum planning audit).

Governors **Agreed** the Strategic Internal Audit Plan & Annual Audit Plan.

138 Regularity Self-Assessment Questionnaire

Maria presented paper 248/22/C setting out the Regularity Self-Assessment Questionnaire. At its meeting on 27 September 2022 Finance & Resources Committee had recommended the questionnaire to Corporation for approval.

The College appointed a reporting accountant to provide an assurance report on regularity each financial year. The reporting accountant had to be the same as the external auditor and was required to undertake the engagement so as to provide 'limited assurance' only. Limited assurance engagements were defined as those concluding whether, based on the procedures performed and evidence obtained, nothing has arisen that suggested information was materially misstated. For corporations, the reporting accountant provided limited assurance that expenditure disbursed and income received had been applied to purposes intended by Parliament, and that the financial transactions conformed to the authorities which governed them. The reporting accountant had to set out any material matters within their assurance report on regularity, with any other findings set out in their management letter to the Corporation.

Maria noted that there were no major changes to the questionnaire from the previous year, except reference to an annual governance self-assessment. The College had reported compliance for all questions in the questionnaire for the year ended 31 July 2022 and the College's external auditor and reporting accountant, Mazars, would now review it as part of the annual financial statements regularity audit procedures for 2021/22.

Tim noted that the questionnaire provided the basis for testing if the College's money had been spent in accordance with the purposes of the charity and that it was pleasing to see the College's answers.

Governors **Agreed** the Regularity Self-Assessment Questionnaire.

Minute 139 was confidential.

140 Use of College Seal

Paola presented paper 247/22/C summarising the use of the College seal.

The seal was applied to documents on 21 July 2022 and signed by the Principal & CEO and Chair of Corporation in support of the overdraft facility with Barclays Bank Plc (which included a legal charge in favour of Barclays Bank over the Highbury Campus). Maria confirmed that the overdraft facility was now in place. Governors **Noted** the use of the College seal.

Minutes 141 & 142 were Restricted Confidential

The meeting ended at 7.55pm.