

**Further Education Corporation**  
**Meeting of the Board of Governors**

**APPROVED MINUTES**

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<b>Date</b>	<b>Monday 22<sup>nd</sup> March 2021</b>	
<b>Time</b>	18.00 to 20.07	
<b>Location</b>	By videoconference (MS Teams)	
<b>Present (Governors):</b>	Elizabeth Sipiery (Chair) Angela O'Donoghue CBE (Principal and CE) Lucy Anderson (FE Student Governor) Roland Anderson Gerry Bender Lee Freeman Dr Rod Gray Nikki Hill (Staff Governor) Rani Koya Richard Launder (Co-Vice Chair) Jo McGee (Staff Governor) Rick Olver Louise Parr-Morley Bob Patterson Andy Ray Sue Saxton Sarah Stone Gwynn Williams (Co- Vice Chair) Fern Worsley (HE Student Governor)  Adesola Orimalade (Co-opted member)	
<b>In attendance</b>	Sarah Lane (Deputy Principal Curriculum and Quality) Anthony McGarel (Deputy Principal and CE) Susan Evans (Interim Director of Finance) Matt Twitchett (Vice Principal) Lois Vassell (Assistant Principal) Debbie Garroway (Assistant Principal) Melissa Drayson (Clerk to the Corporation).	
<b>Apologies for absence</b>	There were none	
<b>Quorum (8)</b>	The meeting was quorate throughout	
<b>Item</b>		<b>Action lead</b>
<b>0</b>	<b>Pre-Board briefing: KPI Dashboard Presentation</b> <i>Ansar Mahmood – Director of MIS</i>	

Governors received a presentation on the college KPI dashboard and were advised that on-site visits could be arranged in the future to provide support with accessing the system if required.

## **1 Preliminary items**

### **1.1 Appointment of student governor**

It was reported that Mackenzie Connor had left the College. Lucy Anderson (Level 3 Forensic Science) had been nominated to act as FE Student Governor for the remainder of the academic year, until her course ended.

**RESOLVED: That Lucy Anderson be appointed as FE Student Governor.**

Lucy was welcomed to the meeting.

### **1.2 Apologies for absence**

There were no apologies

### **1.3 Declarations of interest**

Previously declared interests were carried forward. There were no new declarations of interests.

### **1.4 Urgent other business notified in advance**

There was one item of other business, relating to T Levels.

## **2. Minutes of previous meetings**

**2.1** The Minutes of the Board of Governors meeting on 7<sup>th</sup> December were **APPROVED** as an accurate record.

**2.2** The Minutes of the Board of Governors meeting on 18<sup>th</sup> January 2021, including the legal resolution relating to the new bank revolving credit facility, were **APPROVED** as an accurate record.

**2.3** The following Written Resolutions, passed by email since the last meeting were ratified:

1<sup>st</sup> March 2021: That the following changes to Committee membership be approved:

- Sarah Stone to join Curriculum and Quality Committee and to leave Audit and Risk Committee
- Sue Saxton to join Audit and Risk Committee as well as Curriculum and Quality Committee

15<sup>th</sup> March 2021: That the final Letters of Representations from the External Auditors be approved and signed to enable the finalisation of the Financial Statements and their submission to the ESFA.

## **3. Matters arising from previous meetings**

It was noted that all actions had been completed or were covered on the agenda.

## **4. Curriculum, Quality and Learner Experience**

### **4.1 International Students Report**

The Board noted the paper, the progress being made in the development of international business and the risks to the achievement of planned recruitment and growth.

The impact of the pandemic had been significant, and it was not yet possible to predict when travel restrictions would be lifted to allow new students to enrol. It was noted, however, that growth of 5-8% was estimated within in-country Chinese partner colleges.

The political situation in Myanmar was acknowledged as a risk, although this did not constitute a large area of business.

In response to further questions by governors:

- it was clarified that student recruitment was largely undertaken via agents. The main areas of interest were Pre-University preparation. Demand varied, however, according to the country of nationality.
- Word of mouth recommendation from existing students, especially via social media, was the most powerful marketing tool.
- Without the impact of Covid, courses remained well subscribed. All students who met the entry requirements were currently accepted, but college capacity was a limiting factor.

The Board thanked the Head of International for the report. It was recognised that, whilst the financial contribution to the college was not high, the work brought intangible as well as tangible benefits.

#### **4.2 Engineering and Construction update**

*Report by the Deputy Principal, Curriculum and Quality*

This remained an area of concern for the college. The actions set out in the paper to address specific issues were noted.

Governors received an update on a recent decision to split the department into Construction and Building Services and Engineering and Motor Vehicle. The aim of this was to increase capacity and the focus on quality improvement and growth.

Governors welcomed the report as open and honest and raised the following comments, challenges and questions:

- Management were asked about employer engagement in terms of identifying skills needs and developing the curriculum. A large, successful employer event had been held recently. The group would be invited to continue as an Employer Advisory Board
- Governors recognised that performance in Engineering and Construction had been a concern for a number of years and asked that a set of clear measurable interim targets and milestones should be set to enable progress to be monitored on some of the longer term actions. These would expand upon the actions within the Quality Improvement Plan.
- Management were cautiously optimistic that the actions would result in improvement in attendance and retention, but it was very hard to predict achievement rates. Effort was being made to ensure rigour and consistency in quality processes across both areas of provision.
- It was noted that the Engineering and Construction had been upgraded from 'Red' to 'Amber' on the risk register. It was questioned whether it was too soon to reduce the risk rating.

- The professional development programme in place to train and support staff with a construction background with teaching and learning was outlined. This included tapping into resources from the Education Training Foundation. Each staff member was also linked to a Teaching and Learning specialist and a buddy. Governors were reminded that training effective teachers was a long process, so the impact of these initiatives may take time to fully work through.
- Governors reported anecdotally that the external reputation of the Motor Vehicle provision was positive. Student feedback was also generally positive but, ultimately, reputation relied on student achievement.
- Link governors for Engineering and Construction reported their observations from virtual attendance at team meetings.

#### **AGREED:**

- i) **That interim metrics would be developed to allow governors to measure progress with longer term actions through reports to the Curriculum and Quality Committee.**
- ii) **The narrative to the monthly high level KPI report would also include a specific focus on Engineering and Construction.**
- iii) **Updates would be provided on the completion of apprentices who had passed their end date.**

### **4.3 Curriculum and Quality Committee Report**

*Supporting paper presented by Maya West, CQC Chair*

The Board noted the range of business covered by the CQC at its meeting on 1<sup>st</sup> March as detailed in the draft minutes. These included Safeguarding, Higher Education and Quality Improvement Plan update. An Executive Summary format for the next Self-Assessment Report was agreed. Two items were recommended to the Board for approval.

#### **RESOLVED:**

- (i) **That the Safeguarding Annual Report be NOTED as giving strong assurance and APPROVED**
- (ii) **That it be NOTED that the College had complied with consumer law in terms of its communications with HE students during Covid-19, and a compliance statement to this effect be provided to the Office for Students if requested.**

### **5. Strategic Matters – High Level Key Performance Indicators**

*Supporting paper by the Principal and Chief Executive*

The Board welcomed the updated KPI report. This included previous feedback and would develop further over time, in particular to reflect Strategic Aim 2: *Design and deliver high quality progression pathways to support student progression and regional skills needs*, and Strategic Aim 4: *Extend and develop our partnership to embed our reputation and improve the economic prosperity of the region*.

Governors requested clarity where variance from budget was used as a measure, as opposed to actual expenditure.

The report would be sent by email monthly, with the latest brought to each Board for discussion.

**RESOLVED: That the KPI Report format be APPROVED.**

## **6. Finance and Resources**

### **6.1 Policy and Resources Committee reports**

*Supporting paper presented by the Chair of PRC*

Governors noted the key areas for discussion from the draft minutes.

Regarding the HR report, it was queried whether there were metrics around employee satisfaction and engagement. It was confirmed that there was no KPI, but there was considerable discussion of this and high level staff survey results were reported when available.

**RESOLVED: That the Treasury Management Policy be APPROVED.**

### **6.2 Management Accounts (p7) and cashflow**

*Presented by the Deputy Principal and Chief Executive*

Management apologised for the late paper.

Key headlines from the accounts were:

- An increase in the year-to-date group deficit due to a reduction in income, partly offset by a reduction in expenditure;
- Apprenticeships, Adult Education Budget and commercial income remained particular areas of concern due to the impact of the pandemic and the latest lockdown. The ESFA had recently reported that its AEB tolerance levels before clawback would be 90%. At current activity levels, this could have a knock-on effect on 2021-22 cash of £360k. Many colleges would be in a similar or worse position, and the sector was lobbying the DfE;
- Commercial income would be reviewed within the March management accounts;
- There was scope for further savings through restructuring and reduction in interest charges;
- Cashflow was healthy and on-track;
- The College was operating within its bank loan covenants. In response to governor challenge, assurance was given that there was no risk of breach of covenant this year;
- The Current Ratio had dipped due to reduction in cash in March/April. This had caused a drop in financial health score to 80, but the year-end score was still forecast as requires improvement;
- Pay costs has been adjusted in the light of the review of agency costs. These had increased in February due to high levels of staff sickness. The savings from converting a number of agency staff to permanent were being tracked and were beginning to materialise.

Governors noted that some figures reflected phasing, and suggested that the forecast balance sheet should be included to demonstrate the extent to which budget income and expenditure was still on track.

**The Board NOTED the position in the February Management Accounts.**

### **6.3 Budget setting timetable and process 2021-22**

*Supporting paper by the Interim Director of Finance*

The start of the budgeting process had been delayed due to the late finalisation of the audited accounts. Budget setting meetings were now taking place. These would be concluded after the Spring Break, and a first draft brought to the Policy and Resources Committee on 26 April.

Governors stressed the need for rigorous forecasting at an early stage, to ensure that the figures in the final budget were accurate. Management confirmed that there would be no assumed growth, and that income forecasts would be based on confirmed allocations where known, including T Levels.

## **7. Audit and Risk**

### **7.1 Audit and Risk Committee reports**

*Supporting paper by the Chair of ARC*

The Board noted the discussion, actions and recommendations from the Minutes. A verbal update was provided on Special ARC meeting on 15<sup>th</sup> March to consider the final external audit report and the approval and submission of the signed financial statements. It was noted that the Committee would be seeking to retender the External Audit service.

There was discussion of the importance of securing a stable finance team and the possibility that adequate resourcing might have prevented the controls weaknesses relating to Backstage Centre accounting following merger. It was recognised that recruiting high quality senior finance staff was a sector-wide challenge.

It had been Tom Thompson's last meeting in March. A successor had been interviewed and was now recommended for appointment.

**RESOLVED: That the appointment of Linda Everard as Co-opted Committee member be APPROVED**

### **7.2 Risk Register and dashboard**

*Supporting paper presented by the Chair of the ARC*

The Board noted the scrutiny of the latest risk register and requested that additional risks should be added for staff welfare and fraud. It had also been agreed that Engineering and Construction should also be retained as a red risk for the time being until the impact of quality improvement initiatives was evident.

## **8. Search and Governance**

### **8.1 Search and Governance Committee report**

*Supporting paper by the Clerk*

The discussion, actions and recommendations detailed in the minutes were noted. The Chair drew attention to the work undertaken to update and streamline the Corporation policies and constitution. More work would be undertaken to produce a consolidated set of standing orders and scheme of delegation.

The Clerk confirmed that the proposed revisions to the Instrument and Articles were relatively minor and would not necessitate the need for wider consultation.

**RESOLVED:**

- (i) That the modifications to the Instrument and Articles of Government be APPROVED**
- (ii) That the updated Governor Code of Conduct be APPROVED.**

## **8.2 Governor Development Programme**

Governors were advised that the College had subscribed to the Education Training Foundation Governor Development Programme. This was a modular programme that could be adapted for individual governors' needs and levels of experience. Instructions for signing up had been circulated and all governors were encouraged to participate.

The Chair provided feedback from the one-to-one meetings she had had with individual governors earlier in the year. Particular themes were:

- The need for ongoing training
- Relaunch of the link governor role
- Opportunities to meet as soon as possible after lockdown.
- More to help new governors understand and contribute to strategic discussion.

## **9. Dates of forthcoming meetings**

Board Development Day: 7 June 2021  
Monday 5 July 2021 at 6pm – Southend Campus

## **10. Other business**

Governors who had attended a recent AOC/ETF programme on T Levels reported back on the T Level preparation checklist for colleges. Management responded that this had been used in a recent internal audit. The outcome had been positive and the final report would be circulated when available. The College had also been approached by the ETF regarding being the regional lead for T Levels.

The meeting closed at 20.07

Signed (Chair)

Date