

Further Education Corporation

Meeting of the Board of Governors

APPROVED MINUTES OF THE PART A (NON-CONFIDENTIAL) MEETING

Date	Monday 5th July 2021
Time	18.00 to 21.45
Location	Basildon Town Centre campus/videoconference (Teams)
Present (Governors):	Elizabeth Sipiery (Chair) * Angela O'Donoghue CBE (Principal and CE)
*attending by Teams	Roland Anderson Gerry Bender 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 Gwynn Williams (Meeting Chair/ Co- Vice Chair)
In attendance	Sarah Lane (Deputy Principal Curriculum and Quality) * Anthony McGarel (Deputy Principal and CE) Susan Evans (Interim Director of Finance) * Steve Smith (Vice Principal Corporate Resources) * Matt Twitchett (Vice Principal Quality and Compliance) * Lois Vassell (Assistant Principal Teaching and Learning) * Debbie Garroway (Assistant Principal Student Experience)* Melissa Drayson (Clerk to the Corporation)
Apologies for absence	Lee Freeman Sarah Stone Maya West Adesola Orimalade (co-opted Governor) Fern Worsley (HE Student Governor) FE Student Governor was not present
Quorum (8)	The meeting was quorate throughout

Item	Action lead
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1 Preliminary items

1.1 Chairing of the meeting

As Elizabeth Sipiery was unable to attend in person, it was **AGREED** that Gwynn Williams would Chair the meeting.

1.2 Apologies for absence and declarations of interest.

Apologies were noted from Lee Freeman, Sarah Stone and Maya West.

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

1.3 Urgent other business notified in advance

The Clerk reported that, as previously notified to governors by email, an election would be held to reappoint the Chair under item 11.

2. Minutes of previous meetings

2.1 A correction was made to item 6.2 to state that, in response to a question regarding the size of creditors on the balance sheet, management had responded that this was due to phrasing.

Subject to this it was **RESOLVED: That the non-confidential Minutes of the Board of the Corporation meeting on 22nd March be APPROVED as an accurate record**

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

28 May 2021: The Application of the College Seal to two contracts within the Capital Programme previously approved by the Board

24 June 2021: The appointment of Price Bailey as the College Financial Statements and Regularity Auditors with immediate effect.

3. Matters arising from previous meetings

It was confirmed that all actions and matters arising from previous meetings were either on the agenda or had been completed.

4. Engineering and Construction update

Supporting paper presented by the Principal and Deputy Principal, Curriculum and Quality

Governors were given headlines from the written report. Following the decision to split the curriculum areas, progress in improving Construction and Building Services had been slower overall than in Engineering and Motor Vehicle. The main areas of concern were retention and achievement in Construction Trades, with this area also showing a drop of 1-2 pp in predicated outcome grades compared to 2019-20. By contrast, Engineering and Motor Vehicle was predicting significant improvement in learner outcomes. The percentage of good or better teaching was, however, lower than the college average in both areas.

The main obstacle to achieving improvements in delivery, student achievement and student satisfaction was the recruitment and retention of high quality specialist staff. This was particularly challenging in Construction and Building Services where vacancies included two at

management level, although a Curriculum Head had recently been appointed. A lot of time and effort had been put into recruiting staff from industry and putting them through teacher training. A key issue for the sector was, however, that colleges were unable to offer the same levels of pay as industry. The Assistant Principal was reviewing the teacher recruitment strategy and the associated cost of supporting and training new teachers. Governors encouraged management to draw as much as possible from good practice at other colleges and tap into sector initiatives and partnerships with industry. It was confirmed that the college was involved in the Education Training Foundation's Teach Too programme, specifically aimed at drawing people from the trades into teaching.

It was reported that a range of possible solutions were being explored, including partnerships with construction companies, with support from the SE Local Enterprise Partnership (SELEP). The College had inputted into the DfE Teaching and Learning Policy Group, and was looking into engaging HE and HNC/D students nearing the end of their qualifications on Talent to Teach programmes.

In response to further governors' questions, the interventions to support underperforming teaching staff were outlined, reflecting the different reasons for underperformance. In terms of staff turnover, it was confirmed that exit interviews indicated that pay was the predominant reason for leaving.

It was agreed that, if the predicted student outcomes for Engineering and MV were achieved, this curriculum area would no longer be considered high risk. Governors advised that Construction should remain on the risk register but with specific reference to the staff recruitment implications.

The action from the Audit and Risk Committee was discussed, to engage the two link governors for Construction and Engineering in a piece of assurance work relating to the risks in these areas. This led to a discussion about the need to fine-tune and clearly define the link governor role, drawing upon the experiences of other college Boards.

AGREED: To run a workshop on the link governor role at the next Board Development Day. MD

5. Curriculum, Quality and the Learner Experience

5.1 Curriculum & Quality Committee report and recommendations *Supporting paper presented by the Co-Vice Chair, Gwynn Williams*

The key issues discussed and actions from the 17th May meeting were noted by the Board, including the termly Safeguarding report, Higher Education Strategies, FE and HE Curriculum Planning, predicated learner achievement, progress against the Quality Improvement Plan and agreement to include SMARTer targets in the 2021-22 plan. The Teaching, Learning and Assessment Strategy and the Quality Strategy for 2021-22 had both been revised and updated to reflect the impact of the pandemic and the move to digital learning.

Governors reiterated how impressed they were that the college had been able to create new courses during the pandemic.

RESOLVED: that, on the recommendation of the Curriculum and Quality Committee:

a) **The Teaching, Learning and Assessment Strategy 2021-22 be APPROVED**

b) **The Quality Strategy 2021-22 be APPROVED.**

5.2 Learner Recruitment Update 2021-22

Supporting paper by the Deputy Principal, Curriculum and Quality.

An update was given to the reports to CQC and P&RC earlier in the term. Both 16-19 and adult applications were tracking at above target. These were beginning to convert into enrolments, although the full picture would not be clear until September.

It was predicted that HE numbers would meet the reduced target. There was discussion of the scope to increase recruitment. Management considered that growth was not likely in three-year degrees. Attention was, therefore being focused on Level 4 and 5 qualifications (eg HND, foundation degrees) with top-up options. These were believed to be more attractive to adult learners as they allowed qualifications to be gained a year at a time. The HE Curriculum would be reviewed again early in 2021-22.

In response to a question, it was confirmed that T Level targets would be met in Health and Social Care, but IT was currently tracking slightly below target.

The question was raised about the risk of over-recruiting unfunded 16-19 learners. It was confirmed that the college was anticipating a number of walk-in enrolments, particularly in Construction Trades. The situation would be monitored closely as it was possible that the college would not be able to accommodate all applicants. In response to another question, it was confirmed that the admissions team had strong arrangements in place to help students to enrol on the right course. Later course changes were, however, inevitable.

Governors asked for a process to keep track of apprenticeship numbers in terms of new starts, carry-ins, the impact of Covid-19, risks, opportunities and trends.

AGREED: That a detailed report on Apprenticeship recruitment be brought to the next meeting.

5.3 Learner Survey outcomes

Supporting paper presented by the Vice Principal, Curriculum and Quality

The response rate, at 83% against a target of 85%, was considered good in the light of the pandemic. The key strengths were noted as:

- a) Teachers encourage high standards of behaviour and work
- b) The teaching on my course is good
- c) I am learning in a safe and positive environment.

The outcomes were consistent with previous years, with c) showing a +3pp improvement on the previous survey.

Areas for improvement were also consistent with previous years, including finance advice (relating to bursaries and learner loans), and developing skills in English and in Maths.

Curriculum departments with student satisfaction rates below 80% included Engineering and MV and Construction and Building Services. Students on these had experienced the greatest detrimental impact

during Covid lockdowns, due to the high level of practical assessment required and the difficulties with recruiting and retaining high quality permanent staff.

There was further discussion of the low satisfaction rates relating to English and Maths. Low achievement was a sector wide issue, with students often lacking motivation to retake GCSEs as part of their study programme. Governors asked if there was flexibility to teach English and Maths differently. Management reported that the range of options which would satisfy study programme guidelines was limited.

The correlation between low satisfaction and student achievement was discussed. Although there was generally a link, in some areas students were achieving well in spite of lower satisfaction.

6. Finance and Resources

6.1 Policy and Resources Committee report and recommendations

Supporting paper presented by the Chair of PRC

Governors noted the key areas for discussion from the scheduled P&RC meetings on 26 April and 21st June and the additional finance monitoring meeting. The Chair drew attention to the decision to continue to meet more frequently in 2021-22 to ensure regular financial monitoring.

The Board was provided with an overview of the key headlines from the May Management accounts and took assurance from the detailed scrutiny undertaken by the Policy and Resources Committee. Attention was drawn to the final elements that would lead to a reduction of the deficit by year end, including the receipt of deferred ESFA income. It was agreed that a column for August would help to complete the picture. A request was made for greater clarity on how Income and Expenditure tallied with the balance sheet, to help governors to understand some of the areas of risk to future cashflow.

An update was provided on the DfE FE Capital Transformation fund bid. The outcome would not now be known until September.

The proposal was considered to release £1.65m from the Nethermayne receipt either as match-funding for the grant, or to replace the highest priority boilers at Luker Road with air-handling units. It was confirmed that this had been included in cashflow projections.

The Board noted that the Equality, Diversity and Inclusion report on student achievement would be provided once 2020-21 learner outcomes had been confirmed.

RESOLVED:

i) That the approval of the following documents be ratified:

- a. Fees Policy 2021-22**
- b. Financial Regulations 2021-22**
- c. Anti-Bribery Policy**
- d. Anti-Money Laundering Policy**
- e. Ethics Policy**
- f. Information and Security Management Policy**
- g. Data Breach Notification Policy**

ii) That the proposal to release £1.65m of Nethermayne receipt for the replacement of boilers with Air-Handling Units at Luker Road, be APPROVED.

AGREED: That the Equality, Diversity and Inclusion annual report, including data on student achievement, would be brought to the Board in Autumn 2021.

6.2 Budget 2021-22 and Financial Plan

Presented by the Deputy Principal and Chief Executive

Headline budget figures and assumptions included:

- Moving from the current year-end deficit of -£1.4m to a surplus of £877k in 2021-22, and £1m in 2022-23
- Increase in EBITDA of £2.6m in 2021-22
- A decrease in the pay cost to income ratio to 61.85%

Governors requested detail on how the reduction in staff costs would be achieved. The restructure had already achieved significant savings, and further savings would be found through vacancy management. In response to further challenge, management confirmed that the staff costs had been informed by a bottom-up process, including departmental budget meetings and curriculum surgeries, and there was confidence in their accuracy. It was confirmed that every element on the detailed budget spreadsheet had an audit trail to verify the process.

Governors noted that the EBITDA was less than the November 2020 forecast figure and sought assurance that the debt repayment schedule would not be affected. This was confirmed.

A request was made from a finance governor for the detailed Income and Expenditure, Balance Sheet and cashflow to understand how they tallied. It was agreed that this information would be shared after the meeting and the budget would be approved subject to confirmation of this.

There was discussion of the proposed pay award. The budget included 1% to be paid in February 2022 for the whole year, with the intention that more would be given if student recruitment and other income permitted. The need to reward the hard work and commitment of staff during the pandemic was agreed.

Governors considered the key sensitivities around Apprenticeships, Higher Education recruitment and the discontinuation of Teachers Pension Scheme (TPS) support.

RESOLVED: That, subject confirmation of further scrutiny of the Balance Sheet against Income and Expenditure and cashflow following the meeting, the Budget 2021-22 and Financial Plan be APPROVED

**AR/
AMCG**

AGREED: That the annual pay award be reviewed at November Policy and Resources Committee to bring a proposal to the December Board.

6.3 Subcontracting declaration

Oral update by the Deputy Principal and Chief Executive

It was confirmed that there was no planned subcontracting for 2021-22, but there remained some apprenticeship carry-ins. An in-year might be made with Learning Curve if required.

7. RESOLVED: That the subcontracting declaration be APPROVED
Audit and Risk

7.1 Audit and Risk Committee report
Supporting paper presented by the Chair of ARC

The Board noted the discussion, actions and recommendations from the meeting on 17 June as detailed in the Minutes, were noted.

The strong outcomes from internal audit work to date was highlighted. The Board was asked to approve the internal audit plan for 2021-22. This reflected an increase in the number of days to 40. It was hoped that this would be sufficient to allow the internal auditors to provide an opinion for the year.

The new format risk register had been reviewed in detail. This was the result of work with the internal auditors and reflected a reduction in the number of key risks, but more focus on target risk scores and risk appetite. The Committee had welcomed the improvements and made a number of recommendations for further clarity and focus. Discussion of the proposed assurance work by the link governors in Engineering and Construction was covered under item 4.

The updated Counter Fraud Strategy and action plan was considered. Fraud would be covered in the 21-22 audit work.

RESOLVED:
(i) **That the Internal Audit Plan 2021-22 be APPROVED**
(ii) **That the updated Counter Fraud Strategy be APPROVED**

8. Search and Governance

8.1 Search and Governance Committee report
Supporting paper by the Clerk

The discussion, actions and recommendations from the meeting on 17th May, as detailed in the minutes, were noted. The Chair noted that the review of the governance policies had been a substantial piece of work.

RESOLVED: That the Revised Governance Policies (Standing Orders and Scheme of Delegation) be APPROVED

8.2 Corporation and Committee meeting calendar 2021-22

Dates were noted. Venues were provisional, subject to Covid restrictions and available space.

9. Forthcoming events
Noted

10. Dates of 2021-22 Corporation meetings and events

Monday 18 October 2021 at 17.45 - Backstage Centre, Purfleet
Monday 13 December 2021 at 17.45 - Stephenson Road, Leigh
Monday 28 March 2022 at 17.45 - Basildon Town Centre

Monday 11 July 2022 at 17.45 – Southend Campus

11. Reappointment of the Chair

Staff in attendance and the Chair withdrew for this item

After discussion it was agreed to defer the vote until a later date.

12. Other business

The meeting closed at 21.45

Signed (Chair)

Date