

Further Education Corporation

Meeting of the Board of Governors

MINUTES OF THE PART A (NON-CONFIDENTIAL) MEETING

Date	Monday 13th December 2021
Time	17.45: Pre-Board briefing: Institute of Technology 18.00: Board of Governors meeting
Location	Microsoft Teams
Present (Governors):	Elizabeth Sipiery (Chair) Angela O'Donoghue CBE (Principal and CE) Roland Anderson Gerry Bender Lee Freeman Dr Rod Gray Nikki Hill (Staff Governor) Rani Koya Jo McGee (Staff Governor) Rick Olver Louise Parr-Morley Bob Patterson Andy Ray Sue Saxton Sarah Stone Gwynn Williams (Vice Chair) Anthony Murray (FE Student Governor) Kenny King (HE Student Governor) Michelle Ndlovu (Co-opted Student Member)
In attendance	Phil Briscoe (Interim Vice Principal Curriculum) Brad Brooks (Assistant Principal Student Services) Susan Evans (Interim Director of Finance) Nicky Kelly (Assistant Principal Curriculum Operations) Anthony McGarel (Deputy Principal and CE) Jayne Sheehan (Vice Principal Curriculum) Steve Smith (Vice Principal Corporate Resources) Matt Twitchett (Director of Performance and Standards) Melissa Drayson (Clerk to the Corporation).
Apologies for absence	Maya West Adesola Orimalade (co-opted governor)
Quorum (8)	The meeting was quorate throughout

Pre-Board briefing: The Institute of Technology*Presentation by the Principal and Chief Executive*

The PCE presented the key aspects of the South East Institute of Technology Bid. The specialisms of the IOT would include Logistics, Engineering/Automation, Construction, Health and Life Sciences, Digital Skills will underpin all aspects of delivery in the IoT.

South Essex College was the lead partner, with other partners including 7 other FE Institutions, 3 HE Institutions and 8 major employer partners. Employers would sit on the governing board to provide industry-led vision and focus and to help shape the curriculum.

The bid was through to the final round and the outcome was expected before Christmas.

Governors asked for more information about the funding. It was confirmed that only capital funding available from government. The scope to raise additional income via employers or higher level qualifications to enhance salaries was discussed.

In response to a question of whether the provision was complementary to the existing college curriculum, it was confirmed that the IOT must offer new provision, but some of the planned curriculum growth would be offered under the IOT, eg L3 in logistics.

It was also questioned whether college staff would work in the IOT. It was explained that all similar facilities (eg engineering) would be joined together. Some of the partner colleges had highly developed specialist skills, providing scope for resources and expertise to be shared between colleges. It was confirmed that SEC would not be the lead partner on Engineering and Construction.

Although each partner would lead on a specialism, by joining up under the IOT, students would be able to come into their local college to study any of the IOT provision. Online delivery would be developed to support this model.

0. Appointment of Student and Staff Governors

The Clerk reported on the outcomes of elections for the Academic Staff Governor and Student Governors (HE and FE).

Jo McGee was congratulated for her election for a second four-year term of office as Staff Governor

Anthony Murray was congratulated and welcomed as FE Student Governor and Kenny King as HE Student Governor. Michelle Ndlovo was welcomed as FE Student co-optee. All appointments would be for the duration of their studies at the College.

1 Preliminary items

1.2 Apologies for absence and declarations of interest.

Apologies were noted from Maya West.

The Chair declared that Swan Housing, where she was a Non-Executive Director, was currently undergoing a regulatory review with a likely downgrade. Swan was in the process of merging with Orbit. It was agreed that the Chair would liaise with the PCE and Clerk on the media communications, should the college be contacted on the matter

**ES/
MD
AOD**

1.3 Urgent other business notified in advance

There had been no notifications of urgent other business. The Board was alerted that criminal charges had now been brought against a former member of staff. It was agreed that a media statement should be prepared.

PCE

2. Minutes of previous meetings

It was agreed that the wording of section 6.1 relating to the provision of the monthly management accounts to all meetings of the Corporation be tightened up. Subject to this, it was:

RESOLVED: That Minutes of the Board of the Corporation meeting on 18th October be APPROVED as an accurate record and confidential sections be confirmed.

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.

It was noted that the Whistleblowing policy would now come to the BDD on 24 January for final sign-off and as a development item for governors. It was stressed that it would be key to provide assurance about measures being taken to increase the visibility of the policy and procedures.

AGREED: That the governor session on Whistleblowing at the January Board Development Day should include actions to ensure maximum visibility of the policy and procedures.

4. Equality and Diversity

Supporting papers presented by the Vice Principal Curriculum - Growth

4.1 Equality and Diversity Annual Report

Key headlines were noted in terms of learner achievement:

- In terms of ethnicity the main achievement gaps were for black and black African students, especially 19+

- Male 16-18 students achieved at a lower rate than female students. This was pinpointed to particular male dominated subject areas, including construction and engineering
- The biggest difference in achievement among students with additional learning needs was among adult learners. This was thought to be mainly due to difficulties accessing and completing online functional skills qualifications during the pandemic.
- Within HE, Black and Minority Ethnic students achieved a lower rate of 2.1 on higher qualifications than their white counterparts. HE Students with a disability achieved at +5pp above average, but female students achieved significantly less well.
- There were no differences in achievement according to areas of multiple deprivation.

Governors expressed a desire to know more about the reasons why some groups were doing less well than others, and the actions that would be put in place to close these gaps. The need for in-year monitoring through department reviews was highlighted, as well as tracking through the over-arching Quality Improvement Plan (QIP) and HE Action Plan.

Governor also requested a breakdown of achievement by campus to identify any differences relating to the various local communities that the college served.

It was reported that, in previous years, some of the achievement gaps had not been as large. This was believed to be a consequence of the impact of Covid on some of the more vulnerable and marginalised students.

Governors congratulated managers on a clear report.

RESOLVED: That the Equality and Diversity Annual Report be APPROVED.

AGREED: That achievement data by college campus be provided to VPC governors in future reports.

4.2 Equality and Diversity Policy

Governors comments included the need to ensure an emphasis on building an inclusive culture where difference was celebrated.

RESOLVED: That the Equality and Diversity Policy be APPROVED.

5. Safeguarding Annual Report and Policy

Presented by the Vice Principal Curriculum and Growth

The report had been discussed in detail by the Curriculum and Quality Committee (see item 6). Governors raised the following comments and questions:

- The questions was raised whether the increase in safeguarding referrals was a concern or reflected greater awareness and visibility of the policy and procedures. Management confirmed it was a combination of factors. Referrals had increased, particularly for mental health support but there continued to be a

strong drive to increase visibility especially in Luckyn Lane which had lower rates than other campuses. It was noted that the increased demand for mental health support came with no additional funding, and was a national issue. The team was also dealing with an increasing number of repeat referrals.

- The ongoing need to support staff with meeting the increased demand was recognised.
- It was confirmed that completion of the latest mandatory online staff training had increased.
- Governors acknowledged the increased emphasis on peer on peer abuse within government guidance and college policy.

RESOLVED: That the Annual Safeguarding Report 2020-21 and Safeguarding Policy and Procedures 2021-22 be APPROVED

6. Strategic Matters

6.1 High Level KPI report 2021-22

Presented by the Principal and Chief Executive.

The Board considered proposed KPIs for 2021-22 as well as an update on the current position against them. The KPIs shown were those that were measurable throughout the year, rather than year-end targets. Overall, governors thought that the report provided a helpful 'at a glance' check and made some comments and suggestions for additional targets/presentational changes, including:

- The inclusion of a KPI for retention of teaching staff.
- Clarification that apprenticeships income was assessed against the budget to date
- A query whether it was appropriate to assess the financial health score in-year against the year end target. It would be helpful to include an indication of likelihood that the year-end target score would be met.

AGREED: That the Chairs of PRC and ARC would meet with the DPCE to develop financial KPIs to include a balance sheet measure

**AR/LF/
AMcG**

6.2 ESFA/College Annual Strategic Conversation

The Board noted the letter from the ESFA that summarised the outcome of the Annual Strategic Conversation that had taken place on 18th November. This had involved the Principal and Chief Executive and Deputy PCE, the incoming PCE and the Chair as well as representatives from the ESFA and FE Commissioner Team. The object was to gain an understanding of the strategic direction of the college, its successes and challenges. The letter highlighted the strong reputation and relationship between the college and ESFA colleagues and reflected an open and honest conversation. The Chair considered it to have been a supportive process.

7. Curriculum, Quality and the Learner Experience

7.1 Curriculum and Quality Committee report and recommendations

Supporting paper presented by the Chair of CQC

The minutes, headlines from the discussions and recommendations were considered by the Board.

The Chair reported that there had been good discussions on safeguarding and Higher Education. The Quality Improvement Plan update on Engineering and Construction had reported on some green shoots of recovery.

Committee members had given a range of feedback on the draft College Quality Improvement Plan, and an updated version – including the key issues from the EDI annual report, would be recirculated with final sign off due this week. Maths and English remained a key priority within the QIP.

There had been discussion about the need to synchronise the internal quality cycle and timing of Curriculum and Quality Committee meetings more closely. This would be an action to inform the following academic year's cycle of business. Committee members had also requested the opportunity to meet with the new Principal and Vice Principals Curriculum and Quality to discuss the next self assessment report (SAR) and QIP.

Governors were reminded that the draft 2020-21 SAR would be sent out in the next couple of days to CQC members for comment ahead of the final validation meeting in January.

The Link Governors for Engineering and Construction contributed their observations from recent departmental review meetings, that there was still a long way to go to bring about consistency and cultural change within these departments. SLT confirmed that improvement would be a long-term prospect, and work with managers was ongoing. The supportive approach reported in October would be continued and the need to recognise small successes was agreed.

RESOLVED:

- i) **That the appointment of Rick Olver and Sue Saxton as CQC Chair and Vice Chair respectively be APPROVED**
- ii) **That the Academic KPIs and Targets for 2021-22 be APPROVED**
- iii) **That the updated CQC Terms of Reference be APPROVED.**

AGREED:

- i) **That the following year's CQC meeting schedule should be dovetailed with the college quality cycle;**
- ii) **That members of CQC should meet with SLT in the spring to discuss the following year's SAR and QIP production.**

**Clerk/
VPCQ**

7.2 Student Induction Survey

Paper presented by the Director of Performance and Standards

Initial results had been reported to the Curriculum and Quality Committee. Headlines from the final results were:

- The overall response rate (70%) was 12% better than the previous year. Although below the target of 85%, this was still considered acceptable. Work would be undertaken with departments with lower response rates;
- Overall satisfaction (86%) was +6% on the previous year

- Ten areas have achieved satisfaction rates above 80%, which was also an improvement on the previous year. The strongest areas were student behaviour, the college being a safe place to learn and students believing that they were on the right course.
- The lowest satisfaction related to English and Maths,

There was discussion of the correlation between areas with low response rates and other indicators of student engagement and performance. Whereas there was a strong link between these factors in Engineering and Construction, ESOL and Business and Education students gave positive feedback despite the low numbers. Management confirmed that measures were being implemented to encourage a better response among ESOL students.

8. Finance and Resources

8.1 Policy and Resources Committee report and recommendations

Presented by the Chair of P&RC

The appointment of Lee Freeman and Rod Gray as PRC Chair and Vice-Chair respectively for 2021-22 was noted. Rod Gray was thanked for his service as Committee chair in recent years.

The Board noted the paper giving a summary of discussions and recommendations. It was noted that there had been considerable discussion of budget phasing. As a result, the management accounts currently reflected a deficit in the first months of the year although the college was still on track to hit the year-end target. The need for the committee to be able to compare like with like was agreed.

Additional questions were raised about bad debt provision. It was confirmed that this had been agreed with the auditors. It was also reported that there was no central policy for aged debt provision and that this was down to local discretion.

Budget reforecast

The Period 3 (October) Management Accounts had been fully scrutinised by the Committee, and a presentation was given on the budget reforecast. This reflected the following variances and adjustments:

- Higher Education income loss in the current year, offset by increased Higher Needs element 3 income (HNS). There was discussion of how HNS was calculated;
- Further offsetting adjustments in FY 23 reducing the surplus to £402k;
- A potential upside in Apprenticeship income was now anticipated, but the original budget income would be retained until there was greater certainty later in the year. Governors noted the areas where the increased apprenticeship recruitment was taking place;
- Potential shortfall in Adult Education Budget delivery would be reviewed at 6-9 months with a view to adding any potential clawback back into the forecast. In response to questions it was reported that the biggest area of risk related to Greater London Authority (GLA) funded delivery. Management also confirmed that the proportion of AEB under delivery relating to English and Maths and ESOL was not high.

Governors asked that downside risks should be highlighted clearly in the commentary.

There was a discussion about the financial impact of the Institute of Technology (IOT). It was confirmed that most of the capital funding was for equipment. The five-year business case showed an approximate annual surplus of 5% for the college. The college would be responsible for funding any investment in growth. It was observed, however, that at present, the balance sheet was too tight to fund investment .

In the light of the known reduction in 16-18 income in 2022-23, it was agreed that it would be beneficial for a sub-group of finance governors to meet to test the revised forecast further, interrogate the risk to bank covenants in 2023, discuss the need to renegotiate with the bank, identify the source of any savings and to report assurance back to the Board. This would work best as a face-to-face meeting, notwithstanding the emerging Covid situation.

AGREED: A sub-group of Finance Governors to meet with the DPCE to scrutinise the forecast and impact on bank covenants in the light of income risks.

MD

8.2 Capital Projects update

Supporting paper presented by the VP Corporate Resources

It was reported that there were no major changes to the Strategy. All contracts were signed and works were underway. The Capital element of the IOT bid would be included in the report.

More detail had been provided on Aveley as requested. The developer was holding regular meetings with Thurrock Council. The scheme status was still live, but would not progress to development until the Local Development Framework (LDF) was adopted. If LDF was achieved in 2023, the sale would be likely to take place in 2025.

9. Audit and Risk

9.1 Audit and Risk Committee report

Supporting paper presented by the Chair of ARC

The Chair reported that a joint meeting with the Policy and Resources Committee had been held, to which all other governors had been invited, to receive the external audit report and review the Annual Report and Financial Statements.

It was the first audit undertaken by Price Bailey. The audit had been a rigorous process, which had gone very smoothly, and few errors had been identified. There were no controls issues to report.

The Audit Committee had then convened to consider other matters within its remit, which were outlined within the written report.

9.2 Annual Report and Financial Statements 2020-21

RESOLVED: That the Annual Report and Financial Statements 31 July 2021 be APPROVED.

9.3 **Subsidiary company audited accounts 20-21 and Annual General Meetings**

In response to a request from governors, an overview of the background to and purpose of the joint venture, Essex Shared Services, was provided.

The Board convened as the Shareholder to undertake the Annual General Meetings of the College's wholly owned subsidiary companies:

RESOLVED: That, in accordance with the Resolutions presented, the Directors Report and Financial Statements of each of the following wholly owned subsidiary companies be APPROVED, and Price Bailey be appointed as auditors for the year ending 31 July 2022.

- **The Backstage Centre Ltd**
- **Prospects Learning Foundation Ltd**
- **Prospects Training Solutions Ltd**
- **South Essex Commercial Services Ltd**

RESOLVED:

- i) **That the External Auditors Management Letter and Letters of Representation be APPROVED and SIGNED**
- ii) **That the final Regularity Audit Self-Assessment Questionnaire be APPROVED and SIGNED**
- iii) **That the Annual Report of the Audit and Risk Committee be APPROVED and SIGNED.**

9.4 **Risk register**

Key headlines were a new risk relating to fraud, and increased risk relating to Apprenticeship achievement. The Audit and Risk Committee had proposed that engineering and construction should remain as a red risk until a clear and positive impact of the QIP was in evidence.

It was agreed that the dartboard would be included in future Board papers.

The Chair of Audit and Risk Committee thanked executive colleagues and members of the Governance Team for their hard work and support.

10. **Search and Governance Matters**

10.1 **Governance Self-Assessment 2021** *Supporting paper presented by the Clerk*

High level outcomes from the range of self-assessment activities were reported. The self-assessment questionnaire had had a strong response rate and, whilst, overall grades were slightly lower than the previous year, the comments showed a high level of reflection and constructive criticism. The areas for improvement would be discussed in more detail at the February Search and Governance Committee, along with the new requirement for three-yearly external governance reviews.

10.2 Link Governor role description

The role description had been produced, taking into account the discussion at the October Board meeting.

RESOLVED:

- (i) That the grade of 'Good' for governance be APPROVED**
- (ii) That the updated Link Governor role description and protocols be APPROVED**

11. Forthcoming events

Governors discussed the likelihood that the Board Development Day would now need to be moved online because of the new Covid variant. It was agreed that this should be reviewed and confirmed in January. If a virtual meeting was decided upon, then a shorter meeting should be held covering only urgent, time-sensitive topics such as the pay reward structure.

A full strategic away day and dinner would then be held later in the year.

12 Evaluation of Meeting

Due to shortage of time, governor feedback would be collated via email.

13. Dates of future meetings 2021-22

Monday 24 January – Board Development Day
Monday 28 March 2022 at 17.45 - Basildon Town Centre
Monday 11 July 2022 at 17.45 – Southend Campus

14. Other Business

The Board recognised that this was Angela O'Donoghue's last meeting as Principal and Chief Executive. Angela was thanked for her years of service to the College and contribution to the lives of learners and the local community.

Thanks were also recorded to Bob Patterson for ten years' of sterling service to the Board and his leadership of the Audit and Risk Committee. Maya West was also thanked and commended in her absence for her eight years' service, particularly as Chair of the Curriculum and Quality Committee.

The meeting closed at 20.45

Signed (Chair)

Date

PART B:
Matters deemed to be confidential on the grounds of commercial or personal sensitivity

Item	Action lead
15. Minutes Part C Minutes of 18 October were APPROVED	
16. Remuneration Committee report: 13 December meeting The Chair of the Remuneration Committee gave a verbal update on the meeting of the Committee that had taken place immediately prior to the Board meeting. The Committee had discussed the achievement of objectives by the outgoing Principal and Chief Executive and DPCE, but a further meeting would be held to finalise the new PCE's objectives for her first 12 months in post.	GW
17. New PCE handover and induction arrangements A handover and induction process had been organised by Angela and the Head of HR, and was ongoing in preparation for the start date of 24 th January.	AOD/ES