

Minutes of the Corporation Meeting Held at 5pm on 14 March 2023

Present: Shahalam Ali (joined the meeting at 4.30pm), Prue Amner, Mark Cooper, Ashley Cullen (attended virtually), Alex Dartmouth, Graham Goddard, Katie Hill (staff governor), Tim Jackson, Lyndsey Mason (staff governor), Shirley Nellthorpe, Rob Nitsch (Chair), Katy Quinn (Principal & CEO), Mike Stoneham (attended virtually) & Pauline Tiller.

Apologies: None

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

Minutes

Before the meeting three level 2 catering students gave an overview of their course (including their recent success at a national competition) and their experience at the College.

169 Attendance and Participation

Rob welcomed Lyndsey Mason to Corporation as staff governor (academic) under the general category 2(1)(d) of the College's Instrument of Government for a term of four years from 14 March 2023 to 13 March 2027.

170 Declarations of Interest

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

171 Matters for Decision

The minutes and confidential minutes from the meeting held on 13 December 2022 were **Agreed** as correct records.

172 Matters Arising

Minute 160: Proposal for sale of the House at Tangier Campus: Corporation agreed to delegate this matter to the Estates & Sustainability Committee.

173 Chair & Committee Chairs Update

Rob summarised his activities since becoming chair on 01 January 2023, noting the depth of the challenge within the College and thanking the Executive Leadership Team (ELT) for their hard work. He wished to bring the Board closer to the College through a more collaborative approach and believed governors needed to focus on a smaller number of issues of absolute importance. Rob invited chairs to provide an overview of their Committee's recent activities.

Search & Governance Committee had considered membership, the link governor scheme and the external review. The Committee had also interviewed five potential governors, shortlisted by Peridot, and believed that Anne Murphy and Liz Byrne from

the university and a legal firm respectively would bring additional skills, knowledge and experience to the Board. The Committee hoped to interview a sixth candidate (from the health sector). In the event of recommending this candidate, the Committee proposed that the Board temporarily increase to 20 governors. There was a brief discussion about optimum Board size and delegated responsibilities, and it was agreed these could be explored through the external governance review. Governors **Agreed** that:

- Anne Murphy join Corporation under the general category 2(1)(a) of the College's Instrument of Government for a term of four years from 20 March 2023 to 19 March 2027 and that she join Finance & Resources Committee
- Liz Byrne join Corporation under the general category 2(1)(a) of the College's Instrument of Government for a term of four years from 20 March 2023 to 19 March 2027 and that she join Learning & Quality Committee
- In the event of recommending an additional governor, Corporation would be enlarged temporarily to comprise 20 governors.

Estates & Sustainability Committee had considered the estates strategy.

Learning & Quality Committee had considered the draft learning & quality dashboard, safeguarding, stakeholder voice, apprenticeships and the HE access and participation plan. Prue drew attention to the strategies considered by the Committee on SharePoint.

Audit Committee had considered the risk register, a safeguarding internal audit focused on HR, health and safety and the anti-fraud and risk management policies.

Finance & Resources Committee considered the people strategy and apprenticeships. The Committee had been encouraged by the granularity of data now available.

174 **Principal & CEO's Report & Corporate Dashboard (paper 344/23/C)**

Katy summarised activity at the College since December 2022.

Updates included finance, apprenticeships, curriculum planning and employee engagement. Good progress was being made in areas such as data systems and reporting, student tracking systems, 16-18 student applications and analysis to support management structure changes. Areas of concern included poor management of business development leading to a shortfall of new apprenticeship starts and commercial training, limited curriculum staff capacity at North Harbour and Highbury to drive quality improvement, employer engagement and curriculum development and ineffective student support structures. Management were confident there were actions in place to address these areas. Katy drew governors' attention to the accountability agreement to be agreed by Corporation prior to submission by 31 May 2023. There was a brief discussion about whether IT equipment was purchased or leased, low Net Zero numbers, apprenticeships, marketing. In response to a question, Katy stated that ELT were comfortable with the apprenticeship progress and that this area would be reviewed at the following meeting.

175 **Strategic Risk Register (paper 345/23/C)**

Pauline (Audit Committee Chair) and Maria presented the strategic risk register identifying the College's key strategic risks.

The register was regularly reviewed by the Risk Management Board and subsequently considered by Audit Committee and Corporation. It contained 27 risks, nine of which

were significant and seven high. All had mitigating action plans. Maria stated that risk management was used to run the College, with ELT and the Senior Management Team focusing on controls and mitigating actions.

Rob believed the Board needed to focus on a small number of key risk areas on the register and governors agreed the most significant themes were currently finance, staff and quality of education and that these needed to be the focus of their attention over the next 18 months. The next tier of priorities was estates and employer engagement. In response to how the Board could support ELT/the College, Maria stated that governors needed to review and challenge but anything more risked crossing the governance/management line. Governors agreed the importance of staffing and suggested a deep dive in this area. In the meantime, a link to the people strategy would be circulated. One governor noted that at a recent seminar companies reported changing their focus from staff recruitment to retention. Jacob suggested students could contribute to the people strategy. Finally, there was a brief discussion about Ofsted readiness, with Matt confirming that a checklist would be issued to governors as appropriate.

Governors **Agreed**:

- That the risk register represented a dependable mechanism for considering risk and **Noted** the strategic risk register.
- The top risks on which they would focus at Corporation were finance, quality of learning and staff
- In due course governors would focus on estates and employer engagement.

176 Management Accounts January 2023 (paper 346/23/C)

Maria presented the management accounts for January 2023.

The College was tracking ahead of the year to date (YTD) budget but behind the full year budget. The YTD actual operating deficit of £598k was £36k favourable to the YTD budget. The forecast outturn indicated an operating deficit of £1,148k, which was £270k adverse to the full year budget. Total forecast outturn income was adverse against the budget by £807k. Total forecast outturn pay expenditure indicated cost savings of £707k against the full year budget. Total forecast outturn non-pay expenditure showed an adverse variance of £170k against the full year budget. The College had implemented a recovery plan to ensure risks were managed and the adverse financial impact minimised.

Maria noted that the 2022/23 budget included a high level of inherent risk particularly around apprenticeship income targets, staff utilisation and costs, curriculum financial contribution, self-paying learner income targets, capital programme and non-pay costs. Some of these risks had materialised and could worsen the College's financial position, particularly non-pay costs and as a result, all non-mission critical expenditure had been frozen. There were currently five financial pressure points, four of which led to income deficits impacting the forecast operating line: apprenticeship provision (£826k), FE self-paying learners (£358k), nursery (no impact due to associated wage savings), unplanned expenditure for student retention initiatives (£110k) and additional examination fees (£133k). There were pay savings of £707k. Performance against sector KPIs showed the College was below average for operation surplus/sector EBITDA as a % of income and remained *Requires Improvement* financial health grade. The likely year end forecast outcome would be £1.148m deficit, an improvement on the previous year's £1.6m deficit.

Data concerning staff utilisation and course/curriculum financial contribution was now available and being used in the curriculum planning and 2023/24 budget processes. In response to a question, Maria assured governors that curriculum changes were considered in the round taking into account progression pathways etc. Key risks to next year's budget would be apprenticeship recruitment, staff utilisation, curriculum financial contribution, organisational restructure, student numbers, cash and cash flow, non-pay costs and management capacity and resilience. The College was about to go out to consultation on the new management structure with an estimated cost of c£1m. ELT believed this would be affordable due to efficiency savings however this would only become clear when the budget was firmed up.

Governors **Noted** the January 2023 management accounts and asked that Maria's presentation be circulated following the meeting.

177 Learning Quality (paper 347/23/C)

Prue (Chair of Learning & Quality Committee) and Matt summarised progress against the Quality Improvement Plan (QIP) and areas for governor focus.

Prue reminded governors that the quality cycle started with the self-assessment report (SAR) in the autumn term which led to the QIP identifying areas for development. The purpose of this report was to summarise progress against QIP actions related to the quality of education. The College was making reasonable progress in achieving the QIP's key areas for improvement and was therefore well placed to evidence a *reasonable progress* judgement during the imminent Ofsted Monitoring Visit. Matt noted that the risk themes identified earlier in the meeting appeared throughout the QIP. Governors were invited to observe the monitoring of curriculum areas through Quality Review Meetings. Prue stressed that governors were observing a process as opposed to contributing to the meeting itself. This was different to a link visit whereby governors were triangulating information and seeking evidence.

Whilst attendance was improving, there was still work to be done. Similarly, tutorials were now taking place but needed to be tailored to different areas of provision. There was evidence that good progress was being made with training plans for apprentices starting in 2022/23. In response to a question, Matt stated that the College was working more collaboratively with employers to ensure appropriate initial assessments.

The Ofsted monitoring visit was likely to focus on key areas of the QIP and the last Ofsted report. Prue therefore proposed that governors focus on the following areas:

1. Learner progress
2. Attendance
3. Maths & English
4. Learners' prior learning used to inform starting point for learning plans
5. Teaching and Learning Assessment (to be amended to quality of education)
6. Support for Learners
7. Apprenticeships

The link governor feedback form had been updated to include these areas. There was a discussion about equality, diversity and inclusion with Tim noting that inclusion concerned whether an individual felt valued and included. There was a brief discussion concerning safeguarding in particular the creation of LGBTQ groups across the College. Governors agreed to add safeguarding as the eighth area.

Governors **Agreed** that it would be useful to consider a similar quality of education report at every meeting and that this would be reviewed at the end of the year. Governors **Agreed** the revised link governor approach and feedback form, to add safeguarding.

178 Corporation & Committee Membership & Link Governor Scheme

Paola presented paper 348/23/C setting out Corporation and Committee membership and the link governor scheme.

Due to time constraints, governors turned their attention to the recommendations from Search & Governance Committee and **Agreed**:

- Noodles Bainbridge (student governor) and Lyndsey Mason (staff governor) join Learning & Quality Committee
- Jacob Short (student governor) join Estates & Sustainability Committee
- Rob Nitsch join and chair Finance & Resources Committee
- Tim Jackson join and chair Search & Governance Committee until 31 July 2023, after which time Mark Cooper would become chair
- Anne Murphy join Finance & Resources Committee
- Liz Byrne join Learning & Quality Committee.

Rob suggested that Anne and Liz be allocated a sponsor. Governors **Agreed**:

- The link governor scheme (Anne and Liz would be allocated links shortly).
- The importance of engaging with the scheme
- That there would be no further adjustment of Committees until the end of the academic year to preserve stability.

179 External Governance Review

Paola presented paper 349/23/C setting out the external governance review.

Search & Governance Committee had considered how best to meet the requirement to undertake an external review whilst ensuring that it added value. It was proposed that the review take place so actions were in place for the start of the new academic year. The report proposed a project brief and timeline and recommended that Search & Governance Committee project manage the review, with Corporation receiving the final report and action plan in the summer term. There was a discussion about the timing of this review, with governors believing that a review in a year's time would have more value. Paola agreed to double check the requirement and, if it was possible, the review would be deferred to 2023/24. There was a brief discussion about the focus of the review, with Rob stating that the Committee wanted it to be more diagnostic than reflective and therefore for the reviewer to propose its focus.

Governors **Agreed** the project brief and timelines for the external review and delegated authority to Search & Governance Committee to project manage it.

Subsequent note: It was confirmed that Corporation does not need to have undertaken a review until July 2024. The review would therefore be carried out at the end of 2023 (so for spring 2024) to ensure that it takes place at an optimal time for Corporation, noting the recent leadership changes.

180 Committee Minutes

Governors **Noted** the following minutes:

- Search & Governance Committee 27 February 2023
- Finance & Resources Committee 28 February 2023
- Learning & Quality Committee 07 December 2022 & 21 February 2023
- Estates & Sustainability Committee 17 January 2023

181 Policies & Strategies (paper 350/23/C)

Governors **Agreed** the Safeguarding Children & Vulnerable Young Adult Policy, Risk Management Policy and Anti-Fraud, Bribery & Corruption Policy.

182 Statutory Settlement Payments (paper 351/23/C)

Governors **Noted** the 2022/23 statutory settlement payments made to date.

183 Any Other Business

Tim, Chair of Estates & Sustainability Committee, outlined the Committee's recommendations. Corporation **Endorsed** the estates strategy, noting that the planned review of the strategy by LocatED, a DfE funded organisation, might result in amendments requiring future consideration by Corporation. If there was a realistic prospect of receiving capital funding following the LocatED review, a review of the *Connecting Futures* project would be required to ensure a project suited to the needs of the College was *shovel ready*. A decision to proceed with a review and the budget would return to Corporation prior to commencement. Corporation **Agreed** several shorter-term components that would contribute to the strategy:

- Undertake a detailed study of space utilisation across the whole estate
- Progress the Wave 4 T level project to convert more space in the Tower for September 2023
- Use additional capital funding recently provided by the ESFA to invest in energy efficiency & priority maintenance issues
- Search for alternative accommodation to Arundel 1 & review utilisation of Arundel 2
- Investigate alternative revenue generating activities for North Harbour (2nd floor)
- Depending on the outcome of the Post 16 Capital Fund bid for classrooms at the 6th Form Campus, review curriculum at 6th Form Campus
- Depending on the outcome of the Wave 5 T Level Capital Fund, review use of Highbury Campus noting that if the bid was successful this would involve converting further space in the Tower to expand facilities for catering, hospitality, hair and beauty.

184 Remuneration Committee minutes (for information)

Governors **Noted** that minutes from the meeting on 20 February 2023 were available on SharePoint for independent governors.

Rob thanked governors for their participation and noted that whilst it had been a long meeting, there had been useful discussions.

The meeting ended at 7.15pm.