

## Minutes of the Corporation Meeting Held at 4.30pm on 25 July 2023

Present: Prue Amner, Huw Chapman, Mark Cooper, Ashley Cullen (online), Alex Dartmouth, Graham Goddard (online), Katie Hill (staff governor, online), Tim Jackson, Lyndsey Mason (staff governor), Shirley Nellthorpe, Rob Nitsch (Chair, online), Katy Quinn (Principal & CEO), Liz Rix, Mike Stoneham & Pauline Tiller.

Apologies: Shahalam Ali, Noodles Bainbridge (student governor), Liz Byrne & Jacob Short (student governor).

In Attendance: Adrian Ash            HE Consultant (Minutes 185 – 193)  
                  Matt Phelps            Deputy CEO/Deputy Principal Curriculum & Quality  
                  Paola Schweitzer Director of Governance  
                  Maria Vetrone            COO

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### Minutes

#### 185 Attendance and Participation

Shahalam Ali, Noodles Bainbridge, Liz Byrne and Jacob Short sent their apologies. Rob welcomed Anne and Liz to their first Corporation meeting and thanked Katie for her contribution during her tenure as staff governor.

#### 186 Declarations of Interest

There were no declarations of interest.

#### 187 Matters for Decision

The minutes and confidential minutes from the meeting held on 14 March 2023 and the Written Resolution dated 04 April 2023 were **Agreed** as correct records.

#### 188 Matters Arising

Governors **Noted** that most matters arising were either completed or on the agenda.

#### 189 Chair's Update including Use of College Seal

Governors **Noted** the use of the College seal (paper 429/23/C) on 03 July 2023 formalising the transfer of staff from the College to Caterlink.

Rob noted the two key items on the agenda: 2023/24 budget and estates strategy. He noted the substantial progress made during the year and stressed the need to focus on the coming year. He reported on the positivity of staff at the recent Staff Awards.

#### 190 Principal & CEO's Report (paper 417/23/C)

Significant progress had been made in 2022/23, particularly quality of education and financial health. 2023/24 would be critical in demonstrating impact. Priorities were people strategy, apprenticeships and marketing/communication. The report provided

an update on College activity including the Financial Notice to Improve and annual strategic conversation with the ESFA.

Mark asked about apprenticeships, noting that they were still not where they needed to be. Katy responded that quality was starting to improve. Learning & Quality (L&Q) Committee would continue to monitor the quality of apprenticeships with Finance & Resources (F&R) Committee and Corporation monitoring the financial aspects of provision through the management accounts. Matt clarified that the Quality Improvement Plan (QIP) RAG rating for apprenticeships was amber as there was some evidence of impact in areas for development but the strategic risk register was red due to the risk of not meeting financial targets and audit requirements.

Shirley asked about staff training and development in 2023/24, noting the importance of retaining staff and ensuring stability. Katy responded that a CPD plan would be developed by the new HR director and the impact monitored by L&Q Committee. F&R Committee would focus on the people strategy. Anne raised the risks of cost, functionality and integration when introducing new systems into existing systems. Katy believed these were mitigated by the Vice Principal Information Services' role. Tim asked whether the student enrolment target for 2023/24 was realistic. Katy outlined the actions being taken to ensure the target was achieved and noted that application and enrolment processes were greatly improved from last year. Apprenticeship recruitment and retention would continue to be monitored closely.

Governors **Noted** the Principal & CEO's report.

#### 191 Corporate Dashboard (paper 434/23/C)

Katy provided an update on the corporate dashboard reporting on progress against the 2022/23 key performance indicators (KPIs). The targets against which the College had fallen short were the proportion of students participating in work experience, the number of students engaging with the enrichment programme and apprenticeship, commercial and adult learner loan income. The finalised 2022/23 position would be brought to Corporation's next meeting, alongside proposed 2023/24 targets which would be monitored at every meeting. Katy anticipated that there would be an upward by spikey trajectory in achieving the targets.

Governors **Noted** the corporate dashboard.

#### 192 Finance & Resources Committee (paper 430/23/C)

Rob (chair) summarised the Committee's recent activity and governors **Noted** the F&R Committee minutes from 11 and 17 July 2023.

Governors **Approved** several policies/documents, all of which had been recommended to Corporation by the Committee:

- Capital programme & bids 2023/24
- Financial regulations
- Subcontracting fees & policies supply chain policy
- HE: fees policy, refund & compensation policy and student protection plan.

#### 193 Learning & Quality Committee (paper 431/23/C)

Prue (chair) summarised the Committee's recent activity and governors **Noted** the L&Q Committee minutes from 20 June 2023.

With regards to consumer protection law Anne referred to a recent [blog](#) highlighting the tension between compliance with regulation and responding to the student voice (hyperlink circulated following the meeting). There was a discussion about student voice, with Matt stating that there had been progress but work remained.

Governors **Approved** several policies/plans, all of which had been recommended to Corporation by the Committee:

- EED&I Policy
- HE: Access & Participation Plan, Self-Assessment on Governance & Management and Self-Assessment on Guidance on Consumer Protection Law.

#### 194 **Audit Committee (paper 432/23/C)**

Pauline (chair) summarised the Committee's recent activity and governors **Noted** the Audit Committee minutes from 06 March and 13 June 2023.

Governors **Approved** several policies/plans, all of which had been recommended to Corporation by the Committee:

- GDPR/Data Protection Policy
- External Audit Plan 2022/23
- Strategic Internal Audit Plan & Annual Internal Audit Plan 2023/24.

#### 195 **Search & Governance Committee (paper 433/23/C)**

Tim (chair) summarised the Committee's recent activity and governors **Noted** the Search & Governance (S&G) Committee minutes from 13 & 20 March & 23 May 2023.

Governors **Approved** several documents/recommendations, all of which had been recommended to Corporation by the Committee:

- Standing Orders, Scheme of Delegation & Committee Terms of Reference
- Committee Membership namely that
  - Shahalam Ali serve a second term as governor from 01 October 2023
  - Huw Chapman join Estates & Sustainability Committee
  - Prue Amner remain Learning & Quality Committee chair
  - Tim Jackson remain Estates & Sustainability Committee chair.

#### 196 **Estates & Sustainability Committee (paper 435/23/C)**

Tim (chair) summarised the Committee's recent activity and governors **Noted** the Estates & Sustainability Committee minutes from 08 March and 16 May 2023.

#### 197 **Link Governor Feedback Summary (paper 420/23/C)**

Prue underlined the importance of governors attending link, QIP and Quality Review Meetings to better understand College business, suggesting governors use the QIP as a starting point for their link visits to triangulate information. The feedback form was an aide memoire and was not intended to constrain discussion. Anne raised the importance of asking disruptive questions. Paola would seek governors' views on tailoring the link scheme to governors' availability.

Governors **Noted** the link governor feedback summary.

## 198 Strategic Risk Register (paper 418/23/C)

Maria stated that the risk register contained 26 strategic risks, of which nine were *significant* and six *high* net risks. There had not been any significant changes to the register since it had last been considered by Corporation. All risks had mitigating management action plans and were monitored regularly. There were three emerging risks for 2023/24: student recruitment, reducing the staff cost base and low cash days. Governors agreed that student recruitment was a high risk.

Governors **Approved** the strategic risk register.

## 199 Management Accounts May 2023 (paper 419/23/C)

Maria presented the management accounts as at 31 May 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 £280k was £100k favourable to the YTD budget. The forecast outturn indicated an operating deficit of £1,157k, which was £279k adverse to the full year budget. There had been a favourable change of £143k to the forecast outturn operating deficit from April 2023. Total forecast outturn income was adverse against the budget by £1,132k. Total forecast outturn pay expenditure was indicating cost savings of £739k against the full year budget. Total forecast outturn non-pay expenditure currently showed a favourable variance of £114k against the full year budget. The financial health grade forecast for the current year and actual YTD had improved to *Good* from *Requires Improvement*. The College had recently learnt it would receive an additional £250k AEB funding. Katy believed the improved financial health was a tremendous achievement and the College was heading in the right direction. Tim welcomed the evolution in the College's financial health, noting that work was still required to ensure the College's financial sustainability.

Governors **Noted** the May 2023 management accounts.

## 200 Curriculum Plan 2023/24

The curriculum plan (paper 421/23/C) had been considered by L&Q and F&R Committees. The paper provided an overview of the process adopted for 2023/24 and final decisions approved by the management team. Governors **Noted** the Curriculum Plan for 2023/24, including new and removed provision.

## 201 Skills Plan & Accountability Statement (paper 422/23/C)

The plan and statement demonstrated how the College supported local, national and regional priorities in response to the Skills Act. The plan complemented the College's curriculum specialisms and contributed to several of its strategic priorities. At its last meeting L&Q Committee had agreed to recommend the final statement to Corporation for approval. The Committee would monitor the statement's impact and the strategic plan and statement would be reviewed together in 2023/24. Governors **Approved** the skills plan and accountability statement.

## 202 Budget 2023/24, One Year Financial Forecast & Pay Review

Maria gave a short presentation, cross-referenced with paper 423/23/C, highlighting key information. The 2023/24 budget was proposed as an optimal budget to ensure improvements in the quality of education and student experience and to enable the

College to serve the local community and wider stakeholders effectively, respond to changes in the market place and local skills needs whilst managing inherent risk. The budget was considered stretching, but briefed as achievable and realistic. F&R Committee had endorsed the 2023/24 budget and financial forecast for the College group for Corporation approval.

A deficit of budget of £1.475m was proposed for 2023/24. Income was projected to grow to £33.167m. Total pay expenditure would increase slightly to £21.912m and non-pay costs would remain broadly static at £12.628. It was identified that the ESFA financial health grade would probably drop to *Requires Improvement* in 2024 due to revenue and capital investment and then should improve to *Good* the following year. The slides provided information on projected student numbers, curriculum efficiency, movement in pay costs, capital expenditure and capital grant funding. Maria drew governors' attention to key points: low cash reserves, no provision in 2024/25 for building lease termination costs at 49 Arundel Street, no long term borrowing, no consolidated pay award provision and limited contingencies. A very recent DfE announcement of additional funding meant Corporation might be able to consider a staff pay award in the autumn.

There was a discussion about the budget's three key risks: failure to achieve student number targets (especially planned in-year starts in the second half of the year); failure to reduce staffing costs quickly if required; and low cash days and the risks of insolvency. Actions to mitigate these risk and monitor progress were in place . Other issues were discussed including accommodating in year growth, lagged funding, the curriculum contribution target, capital expenditure and the potential impact of *Requires Improvement* on the College's ability to bid for funding. There was a brief discussion about the costs of leased properties, with Alex noting that it might be possible to strike early exit deals with landlords. Shirley believed it made long-term financial sense to move provision out of Arundel when the opportunity arises. There was a discussion about the risk of losing executive capacity, with Anne noting it didn't feature on the risks relating to the budget. Liz believed it was a risk to the whole organisation and Pauline confirmed that the risk featured in that capacity on the risk register. Tim expressed his support for the excellently prepared and detailed budget. He noted its inherent risks and didn't believe any further mitigating actions were possible.

Governors **Approved** the College budget 2023/24, including the outcome of the pay review which was for no consolidated pay award at this stage, and the One Year Forecast 2024/25.

### 203 Estates Strategy: Implementation & Next Steps (paper 424/23/C)

Katy updated governors on key developments since the approval of the estates strategy including an overview of the historical context, the funding and financing landscape and a roadmap for key decisions. Time critical decisions in 2023/24 concerned 49 Arundel Street and the Birmingham property. A cost benefit analysis was underway and would be brought to Corporation in December. Maria confirmed it would be possible to align both Arundel Street leases to 2028. Governors recognised the constraints as the College had insufficient cash resources and could no longer able access private bank loans or an overdraft. Governors **Noted** the estates strategy update and roadmap for decisions.

**Minutes 204 & 205 were confidential.**

The meeting ended at 7.10pm.