

Further Education Corporation
Meeting of the Board of Governors
APPROVED MINUTES

Date and timings:	Monday 6 th July 2020
Time	18.00 to 19.50
Location	By teleconference
Present (Governors):	Elizabeth Sipiery (Chair) Angela O'Donoghue CBE (Principal and CE) Roland Anderson Lee Freeman Dr Rod Gray Nikki Hill (Staff Governor) Richard Launder (Co-Vice Chair) Jo McGee (Staff Governor) Andy Ray Sue Saxton Sarah Stone Maya West Gwynn Williams (Co- Vice Chair)
In attendance	Sarah Lane (Deputy Principal Curriculum and Quality) Anthony McGarel (Deputy Principal and CE) Matt Twitchett (Vice Principal, Curriculum & Quality) Melissa Drayson (Clerk to the Corporation).
Apologies for absence	Robert Patterson Estrella Rodriguez-Ponce (HE Student Governor)
Quorum (8)	The meeting was quorate throughout

Item	Action lead
1 Preliminary items	
1.1 Apologies for absence As listed above.	
1.2 Declarations of interest Previously declared interests were carried forward. There were no new declarations of interests.	
1.3 Urgent other business notified in advance There were no requests for urgent other business	

1.4 Use of the Seal

Further to approval granted by the Emergency Governance Committee on behalf of the Board on 1st June, it was confirmed that the College Seal had been applied as follows:

- Execution of the lease of a substation as part of the Basildon Campus development. Witnessed and signed by Dr Rod Gray and Mrs Gwynn Williams

The EGC had also approved the application of the Seal to a Deed of Release relating to the same matter. It was reported that this had yet to be undertaken.

2. Minutes

2.1 Board of Governors on 18 May 2020

The Minutes were APPROVED as an accurate record.

2.2 Emergency Governance Committee 1 and 15 June

The Minutes of both meetings were NOTED.

2.3 Written resolutions

Supporting paper by the Clerk

RESOLVED: the Board ratified the written resolution passed on 15 June, to approve a revised proposal relating to the Forum II capital project.

3. Matters arising from previous meetings

Supporting paper by the Clerk

It was confirmed that all actions arising from the minutes had been addressed.

4. Update on College Response to Covid-19

4.1 Covid-18 re-opening risk report

Supporting paper presented by the Principal and Chief Executive

It was reported that progress had been made against the risk register. Most student assessments had been completed. However, 748 students would not complete by 31 July, which was disappointing. The focus over the summer would be on completing as many as possible by the start of the new academic year, so these students were not disadvantaged, and the potential backlog was reduced as much as possible so that staff capacity was freed up for new students. It would not yet be possible, however, for some adult learners to come onsite to complete practical assessments, eg electrical installation students. New students on these courses would not now start until Jan 2021, to give time for these students to complete their qualifications.

Current apprenticeships were being resumed, but numbers of new starts in September were low. A government announcement was awaited regarding support to employers to take on more apprentices.

The reopening of college campuses had gone well, although 16-19 attendance had dropped as the college approached the end of term.

Governors asked whether employment in casual seasonal jobs was affecting 16-19 attendance. It was reported that many students were struggling to find such employment this year.

In line with the latest guidance, more students would now be brought on campus in September than originally planned. Lower level students would be brought in for a full timetable because they were less likely to engage with online learning. Other students would be brought in for at least one day every two weeks. New students would be prioritised to settle them into college life properly. Governors recognised that it was a highly complex logistical exercise to reopen safely with increased numbers and, in particular, to manage the pressure on communal areas.

The risk of a local 'spike' in Covid cases was discussed. The Principal reported that she had attended a planning meeting with local partners. The college would be notifying the Council and police of the dates when students would be returning to ensure that the high street was adequately patrolled.

The difficulties for staff and students of reliance on public transport were discussed. Information had been requested by train operators of likely numbers and peak times for student travel.

Staff were being encouraged to organise car-shares or walk or cycle to work. Staff were also being asked to work at the nearest campus to their home, or at home if their presence on campus was not required. Issues of cycle safety would be addressed as this was a deterrent to staff using their bicycles. In line with many employers, staff start times would be staggered to allow later starts.

An update was requested on the payment of the SELEP funding, which had been flagged as a risk. The County Council had confirmed that payment would be made as soon as their legal department had signed it off, and that funds would be received by the year end.

5. Curriculum, Quality and the Learner Experience

5.1 Learner recruitment 2020-21 (FE and HE)

Supporting paper presented by the DP Curriculum and Quality

i. FE Recruitment

Overall, applications were higher than the same time the previous year, but it was difficult to predict how many would convert into enrolments, or the level of drop off after enrolment. There had been a range of keeping warm activities and current students had been progressed automatically.

16-18 application were up on last year. Communications would be going out to parents and students to provide reassurance about safety measures being taken on campus. The possibility was noted that some parents may prefer their children to study in a more local or smaller setting such as a school sixth form. The other 'unknown' was the number of walk-in 16-19 enrolments in September. Safe facilities would be set up to talk to these students from GCSE results day onward, including video contact with tutors. It was confirmed that there was a continuous programme of advertising and marketing targeted at

attracting these students. In response to governor questions, it was confirmed that there was a higher rate of early drop-out with 'walk-in' enrolments.

There had been an increase in adult learner applications, possibly because adults were opting to study locally as an alternative to university, or were looking to upskill or retrain. A government announcement was awaited about funding for an adult retraining scheme.

Access to HE applications were currently very healthy.

More information was requested on apprenticeship numbers as these had not been provided in the report. Recruitment was held back by both employer willingness to take on apprentices, but also capacity at the college to teach them whilst there was still a backlog of students awaiting assessment.

ii. HE recruitment

Anecdotally, it was believed that a number of students were declining places at universities. The opportunities for the College in terms of providing alternatives were noted. There had been a targeted marketing campaign, primarily through social media, to draw potential HE students to the College as a safe alternative to university. HE applications had started to rise in the last two weeks. Traditionally, much of the college's HE recruitment came from clearing, but it was uncertain how much impact increased competition from universities would have on this.

In response to governor questions, it was confirmed that decisions would be made soon about the financial viability of running courses where applications were low.

5.2 Update on assessment of learners

Supporting paper by the VP Curriculum and Quality

Governors noted that predicted learner outcomes would normally be reported at this point in the year. Data had been submitted to the awarding bodies, and this was in the process of being moderated. It was not yet possible, therefore, to report on predicted grades as we are unsure of the process now being carried out by awarding bodies.

It was also harder to make predictions for vocational qualifications because of the number of students who had yet to complete their practical assessments. Hair and Beauty had been particularly impacted because of the social distancing requirements, and changing awarding body guidance around this.

The external verification process was underway on samples of work. So far, it appears that there has been no decline in results.

Results were due on 12 August for BTEC, 13 August for A Levels and 20 August for GCSEs. Other awarding bodies had not planned 'results days' but would confirm learner grades once they had completed their modification. A lot of awarding bodies had furloughed staff earlier in lockdown

The risk that students might disagree with their grades was flagged. GCSE awarding bodies would be likely to provide the option of a re-sit rather than an appeal, but the onus would be on colleges to organise these. It was not clear how BTEC appeals would be dealt with. The college would review its appeals process in the light of information from the awarding bodies to allow a fast-track process. It was noted that a student would only be able to appeal on the basis that the process was wrong, rather than the grade itself. Governors asked who would bear the financial risk for re-sits. This was also not yet known.

5.3 Quality Monitoring

Supporting paper by the Deputy Principal Curriculum and Quality

The paper had been produced following the Board's request for assurances on monitoring of the quality of online teaching and learning. Due to the period of lockdown a large amount of the online activity had been assessment focused rather than traditional teaching. Staff have undertaken a broad range of mandatory CPD to ensure proficiency in the use of online tools for the delivery of teaching and had received continuous support from the learning technology team. The teaching and learning team had also attended Ofsted webinars and produced guidelines for observation of online learning.

In response to governors' questions, it was confirmed that the student survey was about to close. So far, the response rate had been 20%. There had also been a staff survey on their experience with online learning, and CPD received.

AGREED: that the student and staff survey results would be shared with governors by email.

DPCQ

6. Finance, Policy and Resources

6.1 Financial out-turn to 31 July 2020, Budget 20-21 and Financial Forecast

Supporting paper presented by the Deputy Principal and Chief Executive

The College had produced the report using the new ESFA financial health calculator, with the 2019-20 out-turn, the budget for 20-21 and the option of a Year 2 financial plan. As predicted, the figures currently showed that the college would drop to inadequate financial health in both 2019-20 and 2020-21. Different budget scenarios had been discussed with the Emergency Governance Committee (EGC); the consensus was that no major decisions about restructuring should be incorporated in the budget until recruitment figures were known.

The ESFA had confirmed, in a conference call, that the financial health model would not be used for any form of intervention. Colleges were asked to complete it honestly in order to separate out the impact of Covid. The impact of lower income was to increase the current ratio and gearing, both of which impacted on financial health.

The assumptions used created a deficit of £4.9m in the current year, then £3.7m in 2020-21. The financial plan shows a small surplus in Year 3.

The focus of discussion at EGC had been on cashflow, especially the low points in March 2021 and 2022. The 24-month cashflow included in the pack confirmed that the cash position would be very tight in the current scenario.

An update on the renegotiation of the bank loan was given. The timing of this was important in terms of the treatment of the loan in the year-end accounts and the potential impact on the going concern statement. A request had been made to renegotiate the loan by November, with added flexibility to the revolving credit facility. In response to governor questions it was confirmed that the relationship with the bank was good. The costs of renegotiating the loan were also flagged.

Governors also raised questions about the assumption that college debtors would reduce between Y1 and Y2. It was explained that this related to the payment profile of the receipt from the Nethermayne sale.

Governors queried whether changes to creditor payment policy might be implemented, to manage cash during the pinch points in February/ March. The college was committed to maintaining its 30 day payment policies, but conversations will be held with large suppliers in February and March to inform them of the situation. It was agreed that the Board would be alerted to any change in policy.

There was a discussion about the experience across the sector. It was understood that many colleges were in a similar or worse position.

Governors asked how long the impact of Covid ran through the figures. Potential pay cost savings ran across two years of the plan. With the lagged funding model, under-recruitment in September could result in an even more adverse impact on income and the cash in 21-22.

The forecast apprenticeship income was deliberately conservative as it was unknown how quickly recruitment would pick up.

RESOLVED: That the financial out-turn to 31 July 2020, the budget 2020-21 and financial forecast be APPROVED.

6.2 Subcontracting declaration 2020-21 and supply fees policy *Supporting paper by the Deputy Principal Curriculum and Quality*

Governors noted that the proposal was to keep subcontracting levels at the same level in 2020-21, but reduce to two tried and trusted providers for adult education budget (AEB) provision. No subcontracting of study programme or apprenticeships was proposed.

The Board considered that the goal would be to reduce reliance on subcontracting further in due course, but that it was not the right time to make this change.

It was noted that the update Supply Chain Fees Policy would be circulated by email for approval by written resolution, prior to the ESFA deadline for publication of 31 July.

RESOLVED:

- (i) That subcontracting values and providers for 2020-21 be APPROVED**

- (ii) **That the Subcontracting Supply Chain Fees Policy be approved by written resolution**

6.3 Fees Policy 2020-21

Supporting paper by the Deputy Principal and Chief Executive

RESOLVED: That the Fees Policy 2020-21 be APPROVED with only minor updates to the previous year's policy.

6.4 Capital Projects

Further to the confidential item at the 18th May Board meeting, the Redrow Variation Agreement was now presented for approval under seal. Due to lockdown restrictions, it was:

RESOLVED: That the Redrow Variation Agreement be executed under seal by the Deputy Principal and Chief Executive, witnessed by the following governors:

- i) Gwynn Williams, deputizing for the Chair of Governors**
- ii) Dr Rod Gray**

7. Audit and Risk

Supporting paper: Summary of the Audit & Risk Committee meeting, 29.6.20

The Board noted the key discussion points and committee recommendations and it was:

RESOLVED:

- (i) That the National College Creative Industries financial statements to 31 January 2020 be APPROVED and signed by the Chief Executive and Chair of Governors**
- (ii) That the Financial Statements and Regularity Audit Plan for the year to 31 July 2020 be APPROVED, with delegated authority to the Deputy Principal to negotiate the final fee.**
- (iii) That Roland Anderson be appointed Vice Chair of the Committee.**

8. Governance matters

Supporting paper by the Clerk

8.1 Governor recruitment

The Board considered the recommendation from the Search Panel to appoint three new governors, following interviews on 3rd July. A summary of the experience and skills of each was given. It was also recommended that the temporary uplift in numbers made in January be retained to allow for the recruitment of one further governor.

RESOLVED: That the following be appointed as external governors, on a four year term of office from 1st August 2020, subject to DBS and other eligibility checks:

- Louise Parr-Morley**
- Gerry Bender**
- Rick Olver**

8.2 Review of emergency governance arrangements

Governors agreed that the aim should be to resume normal operations as quickly as possible in the new academic year, and that this should be reviewed in early September by the Chair and Chief Executive.

It was noted that it would be difficult to accommodate a full Board meeting with social distancing. Some governors might also have difficulty attending via public transport. A hybrid of physical attendance and videoconferencing might, therefore, be the most practicable and would reflect measures being put in place for staff and students. It was noted that virtual meetings had made it easier for some governors to attend.

Governors expressed a desire to meet other colleagues in person, as long as it was safe. It was suggested that a socially distanced event might be organised in the atrium in Southend, to which recently retired governors would also be invited to attend.

It was also considered unlikely that the emergency governance committee would need to meet over the summer holiday. Any urgent information would be circulated to the whole Board by email.

AGREED: that a social event be organised for governors, retired governors and managers in the new academic year.

8.3 Register of interests

The annual update of the register of interests would be undertaken over the summer by email.

8.4 Appointment of the Vice Chair of the Corporation

The Clerk reported that one nomination had been received for Gwynn Williams, proposed by Rod Gray and seconded by Richard Launder.

RESOLVED: that Gwynn Williams be appointed Vice Chair from 1 August 2020 to 31 July 2022.

The Board noted other governance actions that would be brought to the Search and Governance Committee meeting in September:

- Review of committee membership
- Review of governor links.

Finally, the Board recognised that this would have been Estrella Ponce-Rodriguez's last meeting as HE Student Governor. Estrella's engagement and excellent contribution to the board was recognised and put on record. She would be invited to the social event to say goodbye properly.

9. Other business

The Chair thanked management for their tireless work during a challenging year, not least in steering the college through the pandemic. Governors were also thanked for their support and flexibility. All were wished a restful and enjoyable summer break.

There being no further business, the Meeting finished at 19.50

Signed.....Dated.....