

**Further Education Corporation**  
**Meeting of the Board of Governors**

**APPROVED MINUTES**

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<b>Date and timings:</b>	Monday 12 <sup>th</sup> October 2020	
<b>Time</b>	18.00 to 20.25	
<b>Location</b>	By teleconference	
<b>Present (Governors):</b>	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 Richard Launder (Co-Vice Chair) Jo McGee (Staff Governor) Rick Olver Louise Parr-Morley Robert Patterson Andy Ray Sue Saxton Sarah Stone Maya West Gwynn Williams (Co- Vice Chair)	
	Adesola Orimalade (Co-opted member)	
<b>In attendance</b>	Sarah Lane (Deputy Principal Curriculum and Quality) Anthony McGarel (Deputy Principal and CE) Steve Smith (Vice Principal, Corporate Services) Matt Twitchett (Vice Principal, Curriculum & Quality) Debbie Garroway (Assistant Principal, Student Experience) Colin Bladen-Kopacz (Dean of HE, Participation and Skills) Melissa Drayson (Clerk to the Corporation).	
<b>Apologies for absence</b>	None	
<b>Quorum (8)</b>	The meeting was quorate throughout	
<b>Item</b>		<b>Action lead</b>
<b>1</b>	<b>Preliminary items</b>	

The Chair welcomed all to the meeting, in particular new members: Louise Parr-Morley, Rick Olver, Gerry Bender, Rani Koya and Adesola Orimalade as co-opted governor.

It was proposed that, at future meetings, long documents that had already been considered at committee level need not be included in the main pack of papers but would be made available remotely.

Governors would also be encouraged to submit questions on the papers to SMT before the meeting, so that answers might be prepared and reported back.

It was agreed that Item 6: Higher Education, would be taken first. This item is minuted in the order it appeared on the agenda.

**1.1 Apologies for absence**

There were no apologies

**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

**2. Minutes**

**2.1 Board of Governors on 6 July 2020**

The Minutes were APPROVED as an accurate record.

**2.2 Written resolutions**

*Supporting paper by the Clerk*

**RESOLVED: the Board ratified the following decisions which had been approved by written resolution since the July Board:**

**10 July 2020: Approval of the Subcontracting and Supply Chain Fees Policy**

**12 August 2020: The appointment of Rani Koya as external governor and Adesola Orimalade as co-opted governor.**

**3. Matters arising from previous meetings**

*Supporting paper by the Clerk*

Progress on actions from previous meetings was noted. The following were brought to the Board's attention:

6.4: The Corporation Seal had been executed in accordance with the Board resolution. Board approval was now sought for a final document relating to the Nethermayne sale: Land Registry Form DS1: cancellation of a charge.

8.2: It was agreed that it would not yet be safe to hold a social event to welcome new, and thank departing governors although the possibility of doing this would be kept under review.

**RESOLVED: That the form DS1: Nethermayne be executed under seal by the Deputy Principal and Chief Executive, witnessed by the following governors:**

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

#### **4. Strategic Matters**

##### **4.1 Strategic Plan 2020-23**

*Supporting paper presented by the Principal and Chief Executive*

Governors were provided with an overview of key headlines:

- The new strategic plan had originally been scheduled to be approved at the March 2020 Board meeting, following the session at the January Board Development Day. It had been agreed, at the BDD, to retain the existing mission and to reduce the number of strategic aims from six to four.
- Covid-19 had had a significant impact on the local employment market. However, it was expected that job opportunities would remain in a number of key areas including construction, logistics and transport, health and care/education, financial and professional services, engineering and manufacturing, digital skills;
- There was a specific focus on rebuilding apprenticeship provision, following the pandemic as well as developing into other areas of potential growth in higher technical education, in line with the forthcoming FE White Paper and the Institute of Technology agendas.
- Key risks related to financial resilience, particularly in the light of the impact of Covid-19 on apprenticeship, HE and commercial income. The recruitment and retention of skilled staff in specific vocational areas was a further challenge.
- The Board was asked for its views on the best way to monitor the achievement of the accompanying action plan, and whether there should be a set of associated KPIs.

There were questions and discussion of the following:

- Governors considered the Plan to be an excellent document, that set out the priorities and challenges for South Essex College clearly and simply. It was considered that any updates ensuing from policy changes, or new local market intelligence, could be accommodated within a supplementary annex.
- There was general support for a set of KPIs that would allow regular oversight of progress against the strategic plan. It was considered that there should be no more than 12-15 KPIs, and it was recognised that some would be monitored less frequently than others, for example much student achievement data was only available annually. It was also proposed that staff performance objectives should align with the KPIs where possible.
- The question was raised how much information was provided to students on the local employment market, to enable them to

make informed enrolment decisions. It was confirmed that students received a lot of information about career routes. The Chair reported that the focus of the virtual HE open day that she had recently attended had been very much on destinations.

- Clear links should be drawn between the strategic aims and the corporate risk register, with each strategic aim being accompanied by detail of resource requirements, inhibitors to achievement (risks) and KPIs. This would help to ensure that the strategic plan remained a living, dynamic document. It was agreed that the planned risk session at the January Board Development Day would provide a good opportunity for further work on this.
- Governors requested specific edits to reduce acronyms, and modify the wording in some place.

**RESOLVED: that, with the agreed amendments, the Strategic Plan 2020-23 be APPROVED.**

**AGREED: To plan a session at the January Board Development Day to agree KPIs and risks against each strategic aim.** PCE

#### **4.2 Covid-19 Update**

Governors were updated on the number of students and staff who had tested positive for Covid-19 since the start of term, and the number who were currently in quarantine as a result. Most cases had occurred in Southend, and systems and procedures were proving to be working well. The Board commended management for the ongoing management of the situation.

**AGREED: That the updated Covid-19 risk register would continue to be shared with Governors.** DPCE

### **5. Curriculum, Quality and the Learner Experience**

#### **5.1 Learner Performance 2019-20**

*Supporting paper presented by the DP Curriculum and Quality*

The Board received an update on the information in the report.

Overall achievement now stood at 79%, with outcomes for study programmes still awaited for over 600 students.

The value-added (ALPS) grade for A Levels had been confirmed as 6, which was an improvement from the previous year but still below national average.

It was confirmed that the final outcomes would be reported to the Curriculum and Quality Committee on 9<sup>th</sup> November. It was requested that these would be sent to all governors.

**AGREED: Final achievement outcomes report to be sent to all governors.** DPCQ

#### **5.2 FE Student recruitment**

*Supporting paper presented by the DP Curriculum and Quality.*

An update was given on the figures in the report. 16-18 recruitment now stood at 5115, and adult recruitment at 1264. There was no change in apprenticeship numbers.

Although 16-18 numbers were promising, there would be a strong focus on retaining students in order to meet the funding allocation target. If numbers stood more than 200 above target, **it may** be possible for the college to make a case for additional growth funding.

For the benefit of newer governors, the lagged funding model and the purpose of the Individualised Learning Record (ILR) were explained.

### **5.3 Teaching, Learning and Assessment Strategy 2020-21**

Governors stressed the importance of acting on any lessons learned from the previous year, including measures to ensure that agency staff were delivering high quality teaching.

**RESOLVED: That the Teaching, Learning and Assessment Strategy 2020-21 be APPROVED.**

### **5.4 Quality Strategy 2020-21**

An update was given on progress with lesson observations. These had been delayed due to Covid-19, but had restarted in September. The target was for all staff to have a formal observation within the year, with staff in their probationary period being prioritised.

**RESOLVED: That the Quality Strategy 2020-21 be APPROVED.**

## **6. Higher Education**

*Supporting papers presented by the Dean of HE, Participation & Skills*

### **6.1 HE Student Recruitment**

Recruitment to Higher Education courses had been extremely challenging due to the impact of Covid-19. All face to face recruitment activities planned after March had been cancelled. The removal of the student numbers cap, and the lowering by universities of entry criteria, meant that the college had lost students to other competitors. There had, however, been pockets of strong recruitment in some curriculum areas.

There was an issue with the speed with which some HE institutions were releasing students who wished to withdraw and enrol at SEC. The process was that these students would need to be released back to UCAS and then apply to SEC through clearing. Whilst waiting for the process to conclude, the college was regularly in contact with these students to keep them warm.

Governors sought more information about how closely the HE curriculum was aligned with regional skills needs. The new strategic plan had identified some gaps, including HNC/HND qualifications and foundation degrees, some of which would be delivered from the new Basildon Campus.

Governors queried the drop in Year 2 numbers in some subjects. These related mainly to HND Performance and Dance, as students often opted to progress to a university degree course after the first year. Some EU students had also left because of the Coronavirus.

The question was also raised about the staffing implications of suspended courses. It was confirmed that the three courses suspended earlier in the year did not have staff attached to them.

## **6.2 National Student Survey Report**

Governors noted the improved outcomes and response rate, but acknowledged that it was also difficult to compare HE delivered in General Further Education Colleges with that of large universities, in terms of overall numbers and response rates. Many students studying higher level qualifications, such as HNDs and higher apprenticeships, did not identify as traditional HE students. Management considered that some of the improved feedback reflected the impact of higher investment in HE resources.

It was confirmed that there was no equivalent national survey for FE students, against which colleges could benchmark feedback. The college normally ran its own student satisfaction survey at the end of the academic year, but had not undertaken this for 2019-20 as it would have been difficult to encourage high completion. Previous years' surveys had, however, indicated high levels of satisfaction. The induction survey for the 2020-21 intake was about to be launched, and outcomes would come to the Curriculum and Quality Committee.

## **6.3 HE Access and Participation Plan 2021-25**

It was reported that the Plan had been resubmitted to the OFS as a new five-year proposal. This had passed the first stage, and OFS had come back with further questions with a 16<sup>th</sup> November deadline. Board level monitoring would continue through the Curriculum and Quality Committee.

## **7. Finance, Policy and Resources**

### **7.1 Report and recommendations from the Policy and Resources Committee on 31 September 2020**

The Minutes were noted and the items recommended for Board approval were considered. Comment was made on the need to reflect annual reporting to the Audit Committee within the Whistleblowing Policy.

In response to governors' questions, it was confirmed that the departing Health and Safety Manager had been replaced with an additional member of staff at officer level. This was considered an appropriate response to dealing with the additional pressure on the Health and Safety team created by Covid-19.

**RESOLVED: That, on the advice of the Policy and Resources Committee, the following be APPROVED:**

- i) The appointment of Dr Rod Gray as P&RC Chair, and Maya West as Vice Chair for 2020-21**

- ii) **Human Resources Key Performance Indicators for 2020-21:**
  - a. **Average Staff Sickness Days – 7%**
  - b. **Staff turnover – 18%**
- iii) **The revised Recruitment and Selection Policy**
- iv) **The revised Pay and Retention Policy**
- v) **With the addition of a section on reporting to governors, the Whistleblowing Policy**
- vi) **The Health and Safety Annual Report 2019-20 and Policy 20-21**
- vii) **The revised financial regulations 2020-21**
- viii) **The recommendation that the Information & Security Management Policy and Data Breach Notification Policy be rolled forward with no changes (both available on request from the Clerk)**
- ix) **The revised Policy and Resources Committee Terms of Reference**

## **7.2 Financial Update presentation: 2019-20 year end position and September 2020 draft management accounts**

*Presentation by the Deputy Principal and Chief Executive*

The presentation included an update on the report on the 2019-20 year-end accounts given to the Policy and Resources Committee, along with an early indication of the period 2 (September) position. Governors were reminded that management accounts were not produced until after the 10<sup>th</sup> of the following month.

The Board agreed that it should receive financial information in advance at all future meetings. Management explained that the timing of the meeting had made this difficult on this occasion. A later date for the October Board meeting should be explored next year.

Work on the audited accounts was proceeding according to timescale. Key features of the accounts would include the write-off of the intercompany balance with the Backstage Centre Ltd subsidiary, and the inclusion of a fair value valuation of the Backstage Centre building, following the merger with the National College Creative Industries on 31 January.

Work was progressing on going concern and the renegotiation of the revolving credit facility that was due to expire on 31 January 2021. It was likely that the bank would now require an independent business review prior to final agreement. This would, in turn, create a delay on the finalisation of the accounts, meaning that they would need to be filed by the extended ESFA deadline of 31 January. It was clarified that there had been no breach of covenants, and that part of the negotiations related to the new repayment schedule to safeguard cashflow.

Auditor costs were higher this year, due to the increased demands of the Audit Code of Practice and the work on going concern.

Governors asked about the consequences of producing a set of qualified accounts. In theory this would be an obstacle to income generation from certain sources. Financial health was not within the scope of an Ofsted inspection, but may be considered as part of leadership and management.

Governors noted the increase in deficit due to FRS102 adjustments relating to the Local Government Pension Scheme, along with an increased pensions liability due to increases in actuarial losses. The latter raised a concern about increased contribution rates.

The draft September management accounts indicated:

- 16-18 numbers were above target but, due to lagged funding, this would not result in increased funding in 2020-21
- HE numbers were better than worst case scenario, but income would be lower than the 2019-20 target
- The apprenticeships income target had been revised down by £1.4m
- Work was underway on achieving the cost savings resulting from under-recruitment
- Additional funding relating to Covid was expected, but had not been included in the figures

The budget would be reforecast in the light of student recruitment, and brought back to governors in December.

The revised ESFA reporting schedule was presented. This included submission of a 12 -month cashflow by 27 November. Due to the timing of returns, the ESFA required accounting officer rather than full Board approval. All financials would, however, be shared with governors as a matter of course.

Management reiterated the ambition to reduce debt and address the underlying deficit. The Board requested a debt reduction report as part of the suite of financial papers.

**AGREED:**

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|------|--|--------------|
| i)   | <b>Review of October and December Board meeting dates to ensure fit with management accounts production timescales</b> | <b>Clerk</b> |
| ii)  | <b>November ESFA return to be shared with all governors</b>  | <b>DPCE</b>  |
| iii) | <b>Debt reduction monitoring to be included in financial reporting.</b>  |              |

### **7.3 Insurance Review**

The update on insurance arrangements for 2020-21 was noted

### **7.4 Capital Projects Update**

*Supporting paper (Policy and Resources Committee paper)*

The Board noted that the paper had been considered in detail at the Policy and Resources Committee and there were no further updates on the capital projects described.

A confidential update was requested on University Accommodation.  
*Recorded in separate confidential minutes*

## **8. Audit and Risk**

### **8.i Report and recommendations of the Audit and Risk Committee on 14 September.**



*Supporting paper and Minutes presented by the Chair of the Audit Committee*

The main discussion points detailed in the minutes, and accompanying papers were noted, and the committee's recommendations considered.

The Board noted the assurance opinion from the Committee that Risk Register and Risk Management systems were robust and well managed. The Chair reminded the Board of the responsibilities of the other committees for oversight of risks falling within their remits. It was proposed that each Committee Chair would report back to the Audit Committee chair after each meeting that each risk had been considered as part of its business.

**RESOLVED: That, on the advice of the Audit & Risk Committee, the following be APPROVED:**

- i) The appointment of Bob Patterson as ARC Chair for 2020-21**
- ii) The Internal Audit Annual Report 2019-20**
- iii) The Internal Audit Plan 2020-21**
- iv) The Regularity Audit Self-Assessment Questionnaire**
- v) The outcome of the annual review of terms of reference and the revised ARC Terms of Reference**

**9. Governance Matters**

**9.1 Report and recommendations of the Search and Governance Committee on 21<sup>st</sup> September**

The main discussion points outlined in the Minutes, accompanying papers were noted and recommendations were considered.

The annual board self-assessment would be issued later in the month.

**RESOLVED: That, on the advice of the Search and Governance Committee, the following be APPROVED:**

- i) The appointment of Rod Gray and Gwynn Williams as SGC Chair and Vice Chair respectively for 2020-21**
- ii) Revised membership of all Committees for 2020-21**
- iii) The revised Search and Governance Committee Terms of Reference**

**10. Dates of future events and forthcoming meetings**

Governors were encouraged to visit the online Open Days.

The times and dates of future Board meetings were currently as follows. It was likely, however, that all meetings would continue to be virtual for the foreseeable future:

**Monday 7 December at 6pm – Stephenson Road**  
**Monday 22 March 2021 at 6pm – Thurrock Campus**  
**Monday 5 July 2021 at 6pm – Southend Campus**

**11. Other business**

There being no further business, the Meeting finished at 20.25

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