

CORPORATION

Minutes of the Meeting held on Tuesday 14 July 2020 at 5.30pm through Microsoft Teams

Present

Governors:	Neill Bucktin (NB)	Chair
	Denis Miles (DMi)	Vice Chair
	Stuart Laverick (SL)	Principal
	David Ash (DA)	
	Nick Baldwin (NB)	
	Steve Bolton (SB)	
	Angela Edwards (AE)	
	Sara Finch (SF)	
	Kevin Gaffney (KG)	
	Peter Heath (PH)	
	Fiona Hellowell (FH)	
	Tony King (TK)	
	Paul McCunn (PM)	
	Debbie Morris (DMo)	
	Sue Nicholls (SN)	
	Robert Pearce (RP)	
	Susannah Twigg (ST)	
	Gary Woodman (GW)	

In Attendance:	Nicki Williams (NW)	Vice Principal and Deputy Chief Executive Officer
	Cherie Clements (CC)	Director of Finance
	Charlotte Swain (CS)	Vice Principal Vocational & Technical Education
	Claire Heywood (CH)	Vice Principal Inclusive, Commercial and Employer Learning
	Julia Breakwell (JB)	Vice Principal Information Systems and Student Experience
	Peter Robinson (PR)	Assistant Principal HE, Standards & Development
	Tony Green (TG)	Director Funding Data and External Contracts
	Helen Butler (HB)	
	Kay Kavanagh (KK)	Clerk to the Corporation
	Donna Gibson (DG)	Deputy Clerk

Action

42.1 Apologies

The Chair welcomed governors to the meeting.
Apologies were received and accepted from Lucy Hodgson.

42.2 Declarations of Interest

Governors were asked to declare any Interests, financial or otherwise, which they may have in any agenda item. No declarations were made.

42.3 Minutes of the Last Meeting

Governors **approved** the minutes of the meeting held on 16 June 2020 as a true record for signature by the Chair.

42.4 Matters Arising

Governors reviewed the Matters Arising report and **noted** progress. Three actions had been completed or would be completed during the meeting and two actions were carried forward.

Governors **monitored** action taken and remaining to be taken in respect of Matters Arising.

42.5 Determination of any other urgent business

Governors **determined** that there was no other urgent business.

42.6 Principal's Report

a. Principal's Update for Governors

The Principal's Report included commentary and updates on:

- **Ofsted – autumn term 2020/21 visits:** SL explained that it is important that best practice is identified in relation to the blended learning that will need to be the 'new normal' in the 2020/21 academic year. SL hopes that Ofsted will be more flexible in these unusual times of Covid-19.
- **Extra Funds for EdTech:** SL provided details of funds that are being made available to develop EdTech resources for the FE College Sector. HoW College has been pro-active, and many bids have been completed. HoW College's reputation for partnership working and eLearning core competencies has helped attract strong partners. Two bids have already been successful and HoW College expects to be awarded between £400k-£800k. These funds have not been built into the main budget for 20/21. However, the Director of Finance will build these into the budget sensitivity analysis as a potential positive inflow.
- **Climate Change Action Roadmap:** A climate change action roadmap has been released for FE Colleges. SL proposed that governors explore this in the Spring of 2021. Governors **agreed**.
- **Student Numbers – June update:** The latest student numbers were provided. The 16-19 numbers remain ahead of the 2019 figures. Apprenticeship numbers remain a concern. The Government has proposed a new initiative for a 'traineeship' model, which HoW College will monitor.
- **West Midlands Partnership:** Colleges West Midlands, working with the West Midlands Combined Authority, have committed to an education and skills pledge as part of the Covid-19 recovery strategy. Partnership is a College value, and this will help to provide inclusive, accessible, high quality learning opportunities.

SL

Governors asked the following questions:

- **What are HoW College's feelings following Gavin Williamson's recent announcement?** SL explained that the Government have been positive about FE Colleges, and SL is feeling optimistic, although further detail is needed.
- **Given the recent announcements concerning Huawei, what will be the impact on HoW College?** The College will still work with 5G technology, although progress will now be at a slower pace.

Governors thanked SL for the comprehensive report and **agreed** to formally **receive** the Principal's Report.

b. Curriculum and Quality Key Performance Indicators

Governors noted:

- The performance for 2019/20 **noting** that there was no change from the previous report received.
- Centre Assessment grades have now been submitted.
- The 2018/19 Outturn is being used, to enable like for like data comparison.
- There are no targets for English and Maths due to recent grades having to be predicted.

Governors asked the following questions:

- **Is the 85% attendance target for English and Mathematics achievable?** CH explained that setting a lower target would be suggesting that lower attendance is acceptable. The target is aspirational, and we aim for high attendance.
- **How will progress be measured?** As there is no starting point, assessments will be made throughout August and September, progress will then be monitored across the academic year.
- **Why has the Achievement target rate reduced from 90.4% to 85%?** CH will check the reduction in Achievement rate target data and confirm.
- **Regarding the Staff Survey question 'I feel that I contribute to the mission and values of the organisation' – why is the target low at 66.6%?** NW explained that this is the same target as last year. It is low due to it being unknown as to how the question will be perceived, understood and answered.

CS

Governors **approved** the KPIs for 20/21. The timing of this approval enables the agreed KPIs to be used for setting KPIs from September 2020.

c. Financial Key Performance Indicators and Management Accounts Summary

Projected full year operating deficit as at April 2020 was £1,072,000. Following further staff being furloughed and a decrease in non-pay costs, the projected full year operating deficit as at May 2020 is £656,000. Following this reduction, indicators remain green.

Governors asked the following questions:

- **Is the pension re-valuation likely to impact the 'net assets'?** CC explained that impact is likely, and the valuation will be confirmed in August 2020.
- **Have there been discussions with Santander regarding the loan covenants?** CC has flagged the concerns with Santander and continues to keep them updated.

Governors **noted** the Financial KPIs and Management Accounts summary.

42.7 Learner Voice

a. Learner Voice report for 2019/20, including the Student Satisfaction Survey overview and the Learner Voice Action Plan.

The Learner Voice report was **received** by governors. Participation rates continue to rise for learners submitting feedback and high rates of participation satisfaction in the Arrivals survey remain.

There has been an increase in the number of Student Representatives being elected with an increase in the number of groups submitting feedback.

All items arising from Learner Voice activity have been collated into an action plan, which has been shared with learners at SSLT (Student Senior Leadership Team) meetings and published on the student portal.

Student surveys are promoted via tutorials, CRQ Leaders and duty managers and are accessible via the student portal.

2019/20 saw an increase in the number of students completing the arrivals survey with 1,586 student submissions. All KPIs were met or exceeded.

Due to Covid-19 the satisfaction survey was replaced with the Remote Learning Survey which was released in June 2020. This survey has been completed by over 350 learners, with most responses scoring over 90%. 99.1% stated that they felt safe online. JB to circulate the full results from the Remote Learning Survey.

JB

Governors were advised that the Students' Union Election for 20/21 has been postponed to the Autumn term 2020 due to Covid-19 restrictions.

Governors asked the following question:

- **3 areas (Business Studies, Hair & Beauty and Construction), show actions regarding behaviour and disruptive students. Is this improving this year?** JB explained that due to Covid-19 there have been less students on campus and thus an improved number of behaviour instances.

b. Ofsted HMI visit report

HoW College has taken part in a voluntary research project with Ofsted focussing on best practice for digital/blended learning and the EdTech experience during the Covid-19 lockdown period.

Positive feedback received included:

- Commendable contact by teachers to do follow-up 1-2-1s as well as general welfare checks by support staff.
- Safeguarding has been taken seriously. The protocols were in place quickly.

Areas for consideration included:

- Where teacher delivery is not so good is not because of the use of technology, but about pedagogy. Where teachers are stronger, it reflects that their online delivery is stronger.
- Learners dislike SOLA. There is a lack of 'blend' from the teacher about why they need to undertake the sessions and a lack of connect of that session back to the taught sessions. There were positives about SOLA in terms of the quality of the content. Learners do not like lone working.
- Indications from staff were that L2s struggle more with online delivery but this was not the case. It was clear that those already motivated became more so, and those who were already unmotivated became even less so.

CS to circulate the final Ofsted HMI Report when it becomes available.

CS

Governors asked the following questions:

- **Are the findings specific to HoW College?** CB explained the feedback was all in relation to HoW College.
- **How is the College managing the point regarding less strong teachers being less strong online?** Extra support has been put in place to close the gap between abilities and improvements are already evident.
- **Do the findings suggest that face-2-face should be preferred?** The preference is for blended learning, which includes face-2-face.
- **Are there plans to change SOLA?** Given the feedback, the SOLA journey continues with improved collaboration between students planned.

SL added that Ofsted were advised that blended learning is a new concept for students, who are not used to the blended learning methods. Blended Learning is the right thing to do for the future of learning.

Governors **received** the Ofsted HMI report.

42.8 College Strategic Plan 2018-2021

Governors **noted** progress against the detailed strategic objectives for 2019/20, appreciating the 'at a glance' RAG summary chart.

Further progress will be presented to the Corporation in the autumn term.

42.9 External Partnerships Subcontracting Performance Report

Governors **monitored** the partner performance/quality outcomes to date in 2019/20.

The financial performance and achievement rates of each subcontracted partner was provided. Partners have been split by funding stream and then by Active and Inactive partners. The performance of each subcontracted partner regarding apprenticeship achievement rates and Adult Education achievement rates year to date is also shown. Governors **noted** that the ESFA will not be releasing or acting upon data based on 2019/20 rates due to Covid-19.

The following points were highlighted:

- The overall achievement rate of 5.6% for Licensed2Train, was due to an admin issue. The achievement rate is likely to be 65%-70% at year end.
- There are no achievement rates for Kemble Training. The class training arm for Health & Social Care Workers has ceased trading. HoW College have enrolled the students directly.
- There are no achievement rates for Miss Macaroon as the contract started in-year and won't be measured until next year.

Impact of Covid-19 on subcontracting partners.

Governors **noted** the impact of Covid-19 on subcontracting partners.

For partners delivering apprenticeships, 4 starts have been recorded since March 2020, compared to 52 in the previous year in the same period. For partners delivering the Adult Education Budget (AEB), the number of starts recorded was 12, compared to 312 in the previous year.

The total average income of partners was circa £280,000 per month prior to April 2020. This has reduced to circa £110,000 from April 2020. To mitigate this, some partners have used the furlough scheme, and a small number have closed

temporarily to reduce running costs. HoW College have supported partners, by increasing the amount of contact, including a range of regular checks on partner models, learners and staff. Based on regular feedback and monitoring credit scores, HoW College do not foresee any partners having to close due to specifically Covid-19 related financial issues, in the near future.

Partners are continuing to deliver training to their learners using online platforms. Assessing and administrative staff are working on a remote basis, and have access to PICs, Onefile, Walled Garden, Skype, the College Portal and other relevant systems.

AEB partners are positive about a negative. They see depressed economic activity as providing increased demand for their services.

A Governor **questioned** the impact of the recent government announcement concerning apprenticeships. TG explained that it will have an impact. HoW College hope that the incentives announced will incentivise the right employers. The Kickstarter Scheme will have a negative impact, with a review taking place in October.

Proposed partners, subcontracting fees and the draft subcontracting contract Maximum Contract Values for 2020/21.

It was confirmed that there have been no increases to fees, and fees remain low compared to other subcontracting primes.

Governors **reviewed** and **approved** the list of proposed partners, subcontracting fees and the draft subcontracting contract Maximum Contract Values for 2020/21.

Partner Management Fees Policy

Governors **approved** the Partner Management Fees Policy and **authorised** the Chair and the Principal to sign the Partner Management Fees Policy and subcontracting fees for 2020/21.

42.10 Market Research and Employees

Governors **received** a presentation from the Vice Principal Inclusive, Commercial and Employer Learning.

A Governor **questioned** the impact on qualifications of the future. CH confirmed that there is a heavy reliance on qualifications and awarding bodies. With job market changes this will need to be an area of future focus for the government. Northern Ireland and Scotland both have only 1 awarding body, and their system works effectively.

Robert Pearce left the meeting at this point.

42.11 Equality and Diversity Action Plans

Governors **monitored** the progress against the January and May milestones in the Equality and Diversity Action Plan for 2019/20.

Despite Covid-19 the College continues to make good progress towards the EDI objectives. The action plan shows an increase in collaboration between support departments to provide targeted support to meet the needs of the learners.

Retention rates for vulnerable groups continue to be below the College average.

DMo stated that BAME learners would be a pro-active focus with attendance being monitored.

42.12 Financial Planning

a. College Fees Policy 2020/21

Governors **approved** the College Fees Policy 2020/21, following an amendment to an acronym to the full narrative.

b. Revenue Budget 2020/21

This is the final budget for 2020/21 following updates provided to the Corporation during the year. The original draft budget before any impact of Covid-19 as at 7 July 2020 highlights a deficit position of £318,000. A revised Covid-19 budget column has then been added to reflect the high-level review. This highlights a potential worst-case deficit position of £1,532,000.

The following impacts due to Covid-19 were highlighted:

- Apprenticeships – Learners currently in learning may not complete within the funding year. This funding stream is only received based on actual delivery and achievement. The original budget has been factored down by 25% on carry in funding and only new learners planned from January 2021. If this were to be realised it would result in a reduction of £615,000 in income.
- ILT – HoW College reputation for partnership working and creating eLearning resources has helped to secure two successful bids, with other bids submitted and under review.
- Staffing – an amount of £170,000 has been added for new staff posts to deliver outcomes for the successful ILT bids and to support and develop the digital offer at HoW College.
- Furlough Claim – HoW College will continue to maximise the use of the JRS for staffing in areas where demand has fallen. We expect the claim to be approximately £100,000.

The cash balance at 31 July 2020 is projected to be £4,999,000. The projected cash balance at 31 July 2021 is £2,647,000, with the lowest point being in March 2021 at £1,364,000.

The potential deficit of £1,500,000 has been modelled and the financial health rating would decline to 'Requires Improvement'. Under normal circumstances this would trigger intervention through the ESFA Oversight Policy. The College would need to achieve a deficit position of £900,000 in order to retain a 'Good' financial health rating.

There is still a high degree of uncertainty around enrolment and actual impact on the College and all its operating areas. It is felt that the College should wait and review the position in October 2020.

Governors **noted** that 25%-30% of the FE Sector will need significant financial help, and a clearer outlook will be known in the autumn term.

Governors asked the following questions:

- **If more will be known in October, will a revised budget be produced?** CC confirmed that KPMG, the external auditors, are monitoring Going Concern, and a re-forecast is likely to be required. The ESFA may also request a simplified Financial Health indication.

- **What are the likely financial costs of a second wave of Covid-19?** Financially the costs will be low, as money is saved by operating via remote learning.
- **Will it be possible to reduce the deficit to £900,000?** This will be dependant upon enrolment numbers. 16-18, HE, Adult Education and Apprenticeships are all funded differently. A clearer position will be known in October 2020.
- **What is the process for using alternative external auditors?** The CPC Framework is used by the Audit Committee to determine possible external auditors. This provides a list that includes smaller organisations.
- **Should many FE Colleges need extra funding, could this cause a change to the structure of Colleges and risk them being under LA control?** The current climate gives the government a need for change, which leaves FE Colleges vulnerable. More will be known in the autumn term.

Governors **resolved** to **approve** the revised budget with a deficit of £1,500,000. Updates on the budget impacts are to be provided on the regular College Re-opening Plan calls.

NW

c. Capital Budget 2020/21

The 2020/21 Financial Forecast includes total internal capital expenditure levels of £1,025,000, with an anticipated spend of £675,000 on estates and building works, and £350,000 on IT, equipment and a contingency.

Further enhancements to IT kit and infrastructure have been required to fulfil the new ESFA contractual requirements to meet ISO:27001, and £167,000 is included in the 2020/21 capital budget for juniper switches as part of this requirement.

A contingency budget has been proposed and represents 50% of the items identified as being at risk of failing.

The Secretary of State for Education issued a letter to Colleges on 1 July 2020. This announced a £200,000,000 capital fund for colleges. It is anticipated that Colleges will receive funding directly from the ESFA based on learner numbers. Based on this assumption, HoW College could receive circa £860,000. Funds are expected to need to be spent by 31 March 2021.

Governors **resolved** to **approve** the Capital Budget 2020/21.

d. ESFA Financial Submission 2019/20-2020/21

The ESFA has replaced the IFMC return with a simplified financial return for Colleges to submit before 31 July 2020. This includes:

- Standard cashflow template
- Financial Health calculator
- Commentary

The Financial Health grade is 'Good' for 2019/20 and 'Requires Improvement' for 2020/21. The calculator contains various modelling scenarios, over and above the budget reductions incorporated within the draft budget, and the likely impact on financial health grade and score. If all scenarios were met, and no action was taken to mitigate the changed financial position, the

resulting financial health grade would reduce to 130 but the financial health remains at 'Requires Improvement'.

The Commentary for the ESFA submission is in progress and will be shared with Corporation when available.

CC

Governors **noted** the ESFA Financial Submission 2019/20-2020/21 and **authorised** SL as Accounting Officer, to sign the return.

e. Students Union Budget 2020/21

Based on income received during 2019/20, the anticipated income and expenditure is £2,000 and forms the basis of the proposed 2020/21 Students Union budget.

Governors **resolved** to **approve** the Students Union budget 2020/21.

f. College Financial Statements 2018 to 2019 letter from the ESFA

Governors **noted** that following the finance record being submitted to the ESFA in December 2019, a letter was received confirming financial health and that no control measures are required.

42.13 Alliance House Workshop Funding

NW advised governors that the grant agreement for the funding from GB&S LEP for the Alliance House brick workshop project is awaited which will require the use of the College Seal. A standard draft of the LEP agreement has been provided for information.

Governors **resolved** to **delegate authority** to Kevin Gaffney and David Ash to sign the final grant agreement and to authenticate the use of the Corporation Seal.

42.14 Tender Committee

CC advised that the Tender Committee are due to meet over the summer and the report will come to the next Corporation meeting.

42.15 Audit Committee

Governors **received** the draft minutes of the Audit Committee meeting held on 30 June 2020.

Governors **resolved** to **approve** the Internal Audit Strategy 2020-23 and Internal Audit plan 2020/21.

Governors **resolved** to **approve** the Financial Regulations 2020/21 **noting** that the regulations are updated every 2 years.

Governors **resolved** to **approve** the External Audit Plan 2019/20, noting the discussion concerning re-appointment of external auditors.

42.16 Chair Election/Appointment

Denis Miles, in capacity of vice-chair, confirmed that Neill Bucktin has been proposed by Denis Miles and seconded by Lucy Hodgson. No other self/nominations were received.

Governors **resolved** to **re-appoint** Neill Bucktin as Chair of the Corporation for a further two years from 1 August 2020.

42.17 Corporation Self-Assessment

2 reviews remain outstanding. Once all reviews are complete, NB will collate feedback and present to DMi and SL.

42.18 Any Other Urgent Business

It was determined that there was no other urgent business.

42.19 Thank You and Farewell

Susannah and Sara's term of office ends on 31 July 2020. Governors thanked Sara and Susannah for their service as student governors. Susannah and Sara have both received an Amazon voucher and thank you card. New student governors will be appointed in the autumn term due to COVID-19 restrictions.

Paul McCunn's term of office ends on 31 July 2020 after serving since 2007 in various roles. Paul has been given a framed photo of the College and an M&S voucher.

42.20 Governance Schedule 2020/21

Governors **received** the governance schedule for 2020/21.

42.21 Date and Time of Next Meeting

- College re-opening update call: 13th August 2020, 15:00 via Microsoft Teams. NB advised that this could be made into a Corporation meeting if needed.
- Corporation Workshop: 15 September 2020, 17:30 via Microsoft Teams
- Corporation meeting: 13 October 2020, 17:30 via Microsoft Teams

Staff and Student Governors left the meeting at this point.

41.13 RESTRICTED CONFIDENTIAL ITEMS

These matters are recorded as Confidential Minutes.

The meeting closed at 19:40.

Signed:

Date:

Matters arising:

Agenda item	Details	Owner	Due Date
42.6a	Climate Change Action Roadmap: A climate change action roadmap has been released for FE Colleges. SL proposed that governors explore this in the Spring of 2021.	SL	Spring 2021
42.6b	CURRICULUM AND QUALITY KEY PERFORMANCE INDICATORS <ul style="list-style-type: none">• Why has the Achievement target rate reduced from 90.4% to 85%? CH will check the reduction in Achievement rate target data and confirm.	CH	October 2020
42.7a	JB to circulate the full results from the Remote Learning Survey.	JB	October 2020
42.7b	CH to circulate the final Ofsted HMI Report when it becomes available.	CH	October 2020
42.12b	Updates on the budget impacts are to be provided on the regular College Re-opening Plan calls.	NW	Ongoing
42.12d	The Commentary for the ESFA submission is in progress and will be shared with Corporation when available.	CC	October 2020