

## CORPORATION

### Minutes of the Meeting held on Tuesday 5 July 2022 at 17:30 Bromsgrove Campus

#### Present

<b>Governors:</b>	Neill Bucktin (NB)	Chair
	David Ash (DA)	Vice Chair
	Zalina Bingham (ZB)	
	Stuart Laverick (SL)	Principal
	Steve Bolton (SB)	
	Helen Butler (HB)	
	Leon Evans-Lochlin (LEL)	
	Kevin Gaffney (KG)	
	Tony King (TK)	
	Sarah Owen (SO)	
	Evan Whakahau	

<b>In Attendance:</b>	Nicki Williams (NW)	Deputy Chief Executive Officer & Vice Principal Corporate
	Cherie Clements (CC)	Vice Principal Finance & Corporate Operations
	Julia Breakwell (JB)	Vice Principal Student Experience & Stakeholder Engagement
	Claire Heywood (CH)	Deputy Principal
	Tony Green (TG)	Assistant Principal Funding Data & External Contracts
	Claire Beaman (CB)	Executive Director for Quality
	Kay Kavanagh (KK)	Clerk to the Corporation
	Donna Gibson (DG)	Deputy Clerk
	Gaynor Cheshire	Guest
	Andrew D'Arcy	Guest
	Chris Hallam	Guest

#### Action

#### 56.1 Welcome and Apologies

The Chair welcomed governors to the meeting. Apologies were received from Denis Miles and Stephanie Simcox.

#### 56.2 Declarations of Interest

Governors were asked to declare any Interests, financial or otherwise, which they may have in any agenda Item. No interests were declared.

#### 56.3 Standing Orders

The Standing Orders have been updated. Section 6.3 is a new section, the wording of which was previously approved by the Corporation, should it need arise to add it to the Standing Orders.

Given the upcoming recruitment considerations, pending Ofsted and requirements for LSIPs, Governors agreed that it would be in the best interests of the College to extend

the Term of Office for 2 Governors, and hence approve the wording of the Standing Orders to allow for this.

Governors **approved** the Standing Orders.

#### 56.4 **Appointments**

Governors **noted** the resignation of Andrea Borwell-Fox as of 11 May 2022.

Governors agreed:

- To **appoint** Jane Britton, Gaynor Cheshire, Andrew D’Arcy and Chris Hallam to a first four-year term of office as a Corporation Members from 1 August 2022 to 31 July 2026.
- To **re-appoint** Tony King to a second four-year term of office from 1 August 2022 to 31 July 2026.
- To **re-appoint** Neill Bucktin and Denis Miles to a further 1-year term of office from 1 August 2022 to 31 July 2023, as per section 6.3 of the Standing Orders. (NB left the room for this item)
- To **appoint** Lockie Carbery and Harrison Ricketts to a one-year term of office as Student Governors from 1 August 2022 to 31 July 2023.
- To **appoint** Neill Bucktin as the Corporation Chair for 2022/23, for a 1-year term of office. (NB left the room for this item)
- To **appoint** David Ash as the Corporation Vice-Chair for 2022/23, for a 1-year term of office

#### 56.5 **Minutes of the Last Meeting**

Governors approved the minutes of the meeting held on 24 May 2022 as a true and accurate reflection of the meeting.

#### 56.6 **Matters Arising**

Governors **reviewed** the Matters Arising report and **noted** progress. There were no actions.

#### 56.7 **Determination of any other urgent business**

Governors **noted** that there was 1 additional item for the confidential agenda.

#### 56.8 **Principal’s Report**

##### **a. Principal’s Update for governors**

##### **Adult education:**

Total spending on adult education and apprenticeships will be 25 per cent lower in 2024/2025 compared with 2010/2011 according to new analysis by the Institute for Fiscal Studies (IFS).

The College is proactive in working with partners to improve advice and guidance for would be adult learners and will continue to push for the improved funding levels and flexibilities needed to re-ignite this market.

##### **Inflation:**

SL explained that the College is facing the real impact that high levels of inflation brings to the sector. This coupled with a post 16, adult and apprenticeship education market that is still in an ‘unfavourable dis-equilibrium’ because of pandemic

distortions means that next year's financial health score will be under significant pressure.

#### Projects:

The current government continues to prefer to offer additional funding opportunities via a variety of project initiatives and funding pots rather than increasing Further Education base rate funding levels. The requirement to bid for such money, often at very short notice, means there is significant opportunity cost linked with this funding. There is often a need to work in partnership and this is made more challenging depending on who is leading/controlling the project/funding resource.

HoW College has led the bid for the Skills Development Fund (SDF) in Worcestershire. Outcomes should be known in July 2022. If successful it would bring an additional circa £400K capital and £320K revenue for HoW College.

The Multiply Programme is being led by the Worcestershire County Council and is aimed at improving the maths capabilities for Worcestershire adults in or out of work. HoW College has bid to deliver £165K worth of delivery with an extra £80K for developing on-line resources to support the initiative.

#### Osprey House:

NW confirmed that the property is now on the market and 2 viewings have taken place to date.

SL provided a verbal update on the St Wulstans building, explaining that the College are hoping to work collaboratively with National Star College who work with complex medical needs students. It is hoped that the College will be able to offer 15 spaces in September 2023. A governor **questioned** if the provision would offer residential places. CH explained that it would remain a day college, with 6/10-week packages using a hybrid model with National Star facilities in Cheltenham.

NB declared an interest with National Star – this was **noted** by governors.

#### FE Professional Standards:

Governors were provided with the updated FE Professional Standards. The Education and Training Foundation (ETF) has published an updated version of its Professional Standards for teachers and trainers in the Further Education and Training sector in England, which were first published in 2014.

There were no questions.

#### **b. Curriculum and Quality Key Performance Indicators**

CB provided an overview of the KPIs, highlighting:

- Attendance remained unchanged at 87% against a 90% target
- Retention is at 92% against a target of 93%
- Achievement rates are unknown at this time - All exams are now completed, with the results due in August
- Apprenticeship achievement is at 47% against a target of 68%

- Learner attainment, a new reporting line for 2022-23, stands at 84% in June 2022
- In-year performance for Merit & Distinctions is at 43% and 22% respectively. This is against target is 70% (Merits) and 35% (Distinctions). CB stated that on reflection, the targets had been set too high.

There were no questions.

### c. Financial KPIs

CC provided an overview of the Financial KPIs as at the end of May 2022, highlighting the following:

- Forecast outturn is £521k higher than budget at £217k deficit
- EBITDA for the year is projected at £1.668m, which is £490k higher than budget. This represents 5.8% of income.
- We have seen an increase due to the 1619 Tuition Fund (£330k), CCF Project (£383k) and High Needs (£479k) but reductions with AEB (£526k), AEB ALS (£112k) and AEB LSF (£247k). There is a projected full year adverse variance on Fee Income of £39k based on actual learner numbers. Income has been released from the balance sheet totalling £234k
- The Financial Health rating is projected, and currently, at 'Good'.
- Cashflow forecast to July 2022, shows £8,351k at 31 July 2022
- There is a clawback on AEB allocation.

A Governor **asked** if we would be given less AEB income next year, based on this clawback. CC explained that we wouldn't, it will remain at the same levels.

A governor questioned the overspend on Capital Expenditure of circa £650k. CC explained that Corporation approved the LRC project, which is included in next years capital budget but needed to be funded this year.

Governors **received** the Principal Update.

## 56.9 College Strategic Plan

CH explained that the Strategy had been discussed and recommended for approval via the Strategy T&F Group. The process has been positive with stakeholder engagement including staff and students.

The College strategy is for the period 2022-25. Upon approval the strategy will be underpinned with an action plan which will be developed and presented to corporation for monitoring throughout the life of the strategy bi-annually as is the case with previous strategic plans. The appendix of the strategy identifies key priorities supported by data as part of our approach to analyse our curriculum offer and will be updated annually to reflect changes in the labour market to meet skills in the immediate and longer-term future.

Once published the strategy will be sent out to key stakeholders and shared with students and staff, who will also receive bi-annual updates on progress as well as having strategic aims reflected into their Professional Development Reviews (PDRs) highlighting important objectives which align to the strategy.

A governor **questioned** if a 3-year strategy would be sufficient. CH explained that agility has been built in, to be future focussed. With possible political changes, and tight labour markets, things can change relatively quickly. The strategy could extend, to add new priorities in 2025. The pillars we chose are long-term (Sustainability, Skills, SEND etc).

Governors **approved** the College Strategic Plan 2022-25.

#### **56.10 Subcontractors Performance Report**

TG provided an overview of the Subcontractors Performance Report for year to date to May 2022.

Overall, the performance of active partners delivering apprenticeships shows broadly positive outcomes considering the continuing impact of Covid in this area, with forward projections indicating relatively stable activity (projections are based only on existing enrolments –apprenticeships are enrolled throughout the year).

For the Adult Education Budget, again the projected outturn is relatively positive, with activity buoyant in some areas compared to others (e.g., work with learners in the West Midlands). Again, enrolments take place throughout the year. It is important to note that some providers in this area have had several MCV increases during the year (Eventcover and Eagles Consultancy).

There were no questions.

#### **56.11 Subcontracting Partners**

Governors **approved** the Subcontracting Partners for 2022/23.

#### **56.12 Partner Management Fees Policy**

Governors **approved** the revised Partner Management Fees Policy (Supply Chain Fees and Charges Policy) for 2022/23.

#### **56.13 Learner Voice Report**

JB provided an overview of the report following changes made last year.

Student Ambassadors were elected and participated in focus groups for LGBTQ+, Social Action, Physical and Mental Wellbeing and Eco. Learners' ideas informed college enrichment activities and fed into the College Eco Group.

There are 162 student ambassadors and 43 learners participated in the student conference.

2 new curriculum surveys have taken place, both with good participation and good satisfaction.

A survey was created specifically for apprentices in March/April. There were 60 respondents. There were good to high levels of satisfaction across most questions asked. Improvements actions are monitored through the Apprenticeship Management group. The intention is to repeat this survey annually.

Governors **received** the Learner Voice Report for 2022-23, including the Student Satisfaction Survey overview.

## 56.14 FINANCE & MANAGEMENT

### a. College HE Fees Policy

Governors **approved** the College Fees Policy 2022/23, noting the changes.

### b. Revenue Budget

The draft budget for approval by Corporation at 28 June 2022 highlights a deficit position of £1,288,000; this is before restructuring or any pension costs. Following discussions at Audit Committee Energy Budgets have been increased in anticipation of likely increase the College will experience in October 2022 when new pricing comes into effect; albeit this is an estimate. The overall increase on energy budgets for the College between 2021/22 and 2022/23 is £414,000, without any increases the underlying deficit is around £874k.

CC provided an overview of the budget highlighting:

- The ESFA have confirmed the TPS Grant until July 2023
- The Adult Funding budget for HOWC Classroom delivery in 2022/23 is set at £1,180k, this is a significant reduction on 2021/22 budget and this large reduction is partially due to losing a Supporting Housing Contract
- The apprenticeships budget for 2022/23 is £1.55m
- Staffing budgets reflect scale increases planned in August 2022 based on current staffing, no further pay awards have been included with the budgets.
- There is a planned increase in spend of around £110k on the Mechanical and Electrical (M&E) contract following retender and switch to CBRE for 2022/23.
- Some teaching departments and Cafes have experienced inflationary increases in materials and food costs, these have been built into the budgets for 2022/23.
- A significant increase of £414k in Energy cost has been planned into the budgets, the College has fixed pricing on the majority of its buildings which will renew in October 2022.
- Depreciation reflects the planned capital spend of £900k funded by the College, with a small amount of Capital Funding of £44k from the OFS.
- The budgeted deficit of £1288k and resulting cashflows would result in a Financial Health Rating of "Good" under the current ESFA scoring.

A governor **questioned** what % increase had been used for the expected rise in costs for energy. CC confirmed that the increases used were 43% for electric and 30% for gas.

Governors **approved** the revenue budget 2022/23.

### c. Capital Budget

NW provided a brief overview of the Capital Budget.

For 2022/23 the budget allocated to buildings related works again forms a major part of the capital proposal. Although the majority of this relates to the Peakman Study

Centre, some works to improve air conditioning and alarm systems are also included.

A large investment in IT kit will be required over the next 3 years because of the demands of Cyber Essentials compliance. Some of our current network switches will become noncompliant in 2024 (replacement cost c£150,000), and Windows 10 will not be supported from 2025.

A governor **asked** if there is a specific date that the College need to have sold Osprey House. NW explained that the sale is not in the budget, so no specific date is required. However, it will ideally be sold during the next financial year.

Governors approved the Capital Budget for 2022/23

**d. Three-Year Financial Plan**

**e. Financial Regulations Policy**

CC explained that there are no significant amends, and the policy has been updated in respect of the ESFA Funding Guidance for 2021/22 for subcontracting, however a further update for 2022/23 is pending.

Governors **approved** the Financial Regulations Policy.

**f. Student Union Budget**

In 2019/20 the previous NUS changed over to the “Totum” card and commission levels reduced from 47% to 12.5% since this decline the SU budgets have reduced significantly; this has been further impacted by COVID and less student footfall. Due to reduced income from Totum cards and pool takings, reserves from the SU account have been used to fund activities for 21/22.

Governors **approved** the Students Union budget 2022/23.

**g. ESFA Financial submission 2021/22-2022/23**

CC explained that the completion of financial year 2022/23 will be based on the approved budget financials, as minuted above.

Completion of financial year 2023/24 will largely be “2022/23” rolled over with some lines amended where we have an indication of the future performance/trend of the line.

CC explained that the submission could result in a ‘Requires Improvement’ grade.

A governor **questioned** what would trigger the Requires Improvement. CC explained that a deficit budget of £1.6m would trigger a deficit budget.

A governor **questioned** if the Corporation should be considering ways to improve the deficit. CC explained that there are still a lot of unknowns, plus the possible sale of Osprey House. CC confirmed that once student numbers are confirmed, and more information is known about energy cost rises, SLT will re-visit the budget.

Governors **approved** the ESFA Financial submission 2021/22-2022/23.

#### **56.15 Equality and Diversity**

JB explained that the College has made significant progress against each of the E&D objectives in the 2021-22 academic year Equality, Diversity, and Inclusion Action Plan.

There were three areas of focus:

- Mental Health
- Sexual Violence and Sexual Harassment
- EDIMs

There were no questions.

Governors **monitored** the Equality and Diversity Objectives and the Equality and Diversity Impact Measures (EDIMs) and Action Plan for 2021/22.

#### **56.16 Audit Committee Minutes**

SB provided an update in the absence of the Chair and Vice-Chair of the committee, giving assurance that the meeting was robust, with both the Internal and External Auditors present.

There were no questions.

Governors **received** the Minutes of the Audit Committee meeting on 21 June 2022, noting the Audit Committee's advice.

#### **56.17 Audit Committee Recommendations**

Governors **approved** the following items, on the recommendation of the Audit Committee:

- Internal Audit Plan
- Summer Term Risk Register

#### **56.18 Governance**

##### **a) Governor insight scheme**

DG provided an update on the scheme, explaining that the activity for the upcoming 2022-23 academic year will now begin to be planned, adding that Learning Walks should also be possible.

##### **b) Governor One-2-Ones**

DA state that the governor 1-2-1's had been very productive, and all governors recognised the effort and support staff and SLT provide to corporation, including DG and KK.

Governors feel they have ample opportunity to participate in meetings and engage in decisions.

DA asked governors to note that an Ofsted inspection could take place next year or the year after and governors need to be available if possible.



Governors **approved** the proposal for the Strategy T&FG to continue and to be re-purposed to include partnerships and estates.

Governors are supportive of another governor social event in September.

Regarding the governor induction process. **Action:** Governors are to advise KK if they would be happy to be a mentor for new governors. **KK**

DA added that 1-2-1's take place at the end of the academic year but would be useful to have a 1-2-1 with new governors at the start of their term of office.

**Action:** KK to arrange 1-2-1's with new governors with DA and NB. **KK**

DA confirmed that agendas and papers will be discussed at the next G&S committee to see if there is a way to reduce the number of papers being presented to corporation.

DA provided an update on the Chairs 360 process that governors participated in, explaining that it included 14 questions regarding the Chairs responsibility, process, and ability – results give assurance of good governance, with overall positive outcomes.

**c) Governance Improvement Plan**

KK provided an overview of the Governance Improvement Plan, adding that the plan will be updated in the Autumn Term following Corporation Self-Assessment.

Governors **noted** the Covid impact on governor attendance.

**d) Committee Membership 2022/23**

Governors **approved** governor membership of committees and T&F groups for 2022/23.

**e) Cycles of Business**

Governors **approved** the 2022/23 Cycle of Business for:

- Corporation
- Governance & Search Committee
- Audit Committee
- Remuneration Committee

**f) Governance Calendar 2022-23**

Governors **approved** the Governance Calendar for 2022-23, noting that the September meeting is to be moved to 20 September and the December Meeting is to be moved to 13 December.

**56.19 Any Other Urgent Business**

Governors **approved** the FE and HE complaints procedure.

**56.20 Thank You and Farewell**

NB **thanked** outgoing and continuing governors.

**56.21 CONFIDENTIAL ITEMS**

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**56.23**

See Confidential Minutes.

*The Staff and Student Governors and remaining SLT members left the meeting at this point  
(Excluding SL, CH, NW & CC)*

**56.24 RESTRICTED (1 of 2) ITEMS**

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**56.25**

See Restricted Minutes (1)

*All remaining members of SLT left the meeting at this point (excluding the Principal)*

**56.26 RESTRICTED (2 of 2) ITEMS**

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**56.27**

See Restricted Minutes (2)

**56.28 Date and Time of Next Meeting**

20 September 2022, 17:30

There being no further business the meeting ended at 20:30

Signed:

Date: