

Agreed Minutes

MINUTES OF THE MEETING OF THE FE CORPORATION

Held on Friday 15th October 2021 at 9.30am in the Skills Park Board Room and via MS Teams

Present: Professor Sam Luke (Chair), Lynn Reddick (Vice-Chair), Martin Butterfield, Angela Cross-Durrant, Chris Muller, Asa'ah Nkohkwo, Vince Romagnuolo, Peter Stamps, Nick Vaughan-Barratt, John Willis, Frances Rutter (Principal), Sylvia Ofei-Kwatia (Support Staff Governor), Felicity Fletcher (Academic Staff Governor)

In Attendance: Donna Patterson (Director of HR), Maria Vetrone (Deputy Principal Finance & Resources), Cliff Shaw (Deputy Principal Curriculum & Quality), Dario Stevens (Vice Principal Planning & Information), Sandra Dessent (Clerk to the Corporation)

1.21	1.0 Apologies for Absence			
	Apologies for absence were received from Margaret Martin, Simon Enoch and Lamé Verre			
2.21	2.0 Declaration of Interests			
	<p>The following declarations were made:</p> <p><u>Professor Sam Luke</u>: Unremunerated Director of NESCOT Enterprises Ltd. (NEL)</p> <p><u>Frances Rutter</u>: Unremunerated Director of NESCOT Enterprises Ltd., (NEL)</p> <p><u>Peter Stamps</u>: Unremunerated Director of NESCOT Enterprises Ltd., (NEL)</p> <p><u>Sandra Dessent</u>: Salaried employee and Company Secretary of NESCOT Enterprises Ltd., (NEL)</p>			
3.31	3.0 Minutes of the Previous Meeting and Matters Arising			
	<p>The Minutes of the meeting held on Friday 23rd July 2021 were agreed as a true record and signed electronically by the Chair.</p> <p>Matters Arising:</p> <table border="1" style="width: 100%;"> <tr> <td> <p>Report back on Inclusivity Working Group and progress on producing a student diversity and inclusivity video</p> <p>Ongoing – focus for the Autumn Term is student inductions and election of student representatives.</p> </td> </tr> <tr> <td> <p>Clarification on the application data for Animal Care courses</p> <p>Reported in student recruitment. See minute no. 6.21.</p> </td> </tr> <tr> <td> <p>Arrange for a Governor tour of the site to view buildings that have been identified for refurbishment and/or upgrading</p> </td> </tr> </table>	<p>Report back on Inclusivity Working Group and progress on producing a student diversity and inclusivity video</p> <p>Ongoing – focus for the Autumn Term is student inductions and election of student representatives.</p>	<p>Clarification on the application data for Animal Care courses</p> <p>Reported in student recruitment. See minute no. 6.21.</p>	<p>Arrange for a Governor tour of the site to view buildings that have been identified for refurbishment and/or upgrading</p>
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	Action complete – a tour took place on Monday 4 th October 2021.
4.21	4.0 Chair's Reports
	<p><u>4.1 External Board Review</u></p> <p>The Corporation received the External Board Review report and action plan. It was acknowledged that it was a worthwhile exercise, the recommendations from which, once implemented, would help to continuously improve Board effectiveness. It was noted that action plan progress would be reported through the Search & Governance Committee, Corporation, and the External Board Reviewer, Heather Cross.</p> <p>The recommendations were discussed, and it was agreed that it would be useful to develop a one-page executive summary of the reports covering the main points and an indication on the themes that needed to be discussed. It would also be helpful to have an indication from the Chair, a few days prior to the meeting, which papers necessitated in depth discussion.</p> <p><u>4.2 Succession Plan</u></p> <p>The succession plan approved at the Search & Governance Committee on 6th October was considered and agreed by Corporation, along with the job descriptions for Chair of the Corporation, Vice-Chair of the Corporation and Committee Chairs. It was noted that the closing date for expressions of interest was Friday 29th October.</p> <p><u>4.3 Introduction of Staff Governors</u></p> <p>The two new Staff Governors, namely Sylvia Ofei-Kwatia (Support) and Felicity Fletcher (Academic), were welcomed to the Board. Both outlined their experience and expressed their eagerness to contribute to the work of the Board.</p> <p><u>4.4 Governor Link Day Feedback</u></p> <p>The Chair and the Governors who participated summarised the highlights of the successful tour, which included the following comments:</p> <ul style="list-style-type: none"> • It was great to see the improvement in the facilities (compared to 18 months ago) particularly the updated notices/posters in corridors • Excellent, quality facilities, especially impressed with the media facilities • Enthusiastic staff and students, who spoke easily and fluently with Governors. <p>The CEO recounted how delighted the staff were to see Governors and showcase their facilities.</p>
5.21	5.0 CEO/Principals Report
	<p><u>5.1 State of the Nation Presentation</u></p> <p>The CEO presented a power point presentation to the Board covering:</p> <ul style="list-style-type: none"> • A review of the Strategic Plan 2026

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- The ‘big picture’ in relation to the Government white paper
- Growth over the past four years
- Investment in the Estate
- Student achievements
- Corporation framework (including update on leadership team restructure and recruitment of Senior Postholder)
- Inclusion and Diversity
- Curriculum priorities (including HE Strategy)

The presentation was well received, and it was acknowledged that the College had successfully remodelled their provision as a result of fast-tracking Google Classroom due to Covid.

The Board discussed the framework that would facilitate the College being awarded an ‘outstanding’ status by Ofsted. The CEO/Principal confirmed that it was the ultimate goal for the College, and it was noted that there had been extensive preparations in anticipation of an Ofsted visit. It was agreed to circulate a schedule on the types of questions that inspectors may ask Governors.

6.21 6.0 Finance Reports

6.1 Chair’s report and draft minutes from meeting 24th September

The Chair of Finance & General Purposes summarised the key points of the meeting and highlighted the decision by the Committee to instruct the external fund managers, Smith & Williamson, to drop the maximum retained in the investment fund equities from 70% to 60%. The Committee also agreed not to crystalize any returns from the fund and to keep under review.

6.2 Management Accounts July 2021

The Deputy Principal (Finance & Resources) shared a power point presentation with the following highlights:

College Group	Likely case forecast (£000)	Best case budget (£000)	Variance (£000)	Movement in forecast since May 2021 (£000)
Total income	30,873	30,121	753	 £696
Total pay expenditure	(17,063)	(17,694)	631	 £539
Total non-pay expenditure	(12,919)	(12,409)	(511)	 £220

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Total expenditure	(29,982)	(30,103)	120	 £759
Operating surplus/ (deficit)	891	18	873	 £62

The College had selected a 'best case' budget scenario for implementation in the year ended 31 July 2021, generating a budgeted surplus of £18k with stretching targets, no contingencies and a high level of inherent risk.

The total income forecast had reduced down by £696k since the last report to Corporation, mainly because of changes in the mix of curriculum delivery and shortfalls in delivery of in-house AEB.

The total non-pay expenditure forecast had improved by £220k since the last report to Corporation, reflecting strict control over the cost base.

The College remained confident that the likely case forecast could be achieved at 31 July 2021 as final outturn, although a number of uncertainties would remain until the audit of the financial statements in October 2021, including the value of achievement funding which will only be known around that time. The current working assumption was that there was little achievement funding at risk.

Whilst the figures reflected an excellent financial performance compared to budget, the Board recognised that this was in the main due to unplanned additional Covid funding and the financial performance of the satellite sites. It was acknowledged, should the overall financial picture be viewed without those two income streams, there would undoubtedly be considerable financial challenges going forward. The Board emphasised the importance of growing student numbers, and it was noted that this would be the focus for the new Commercial Director.

In response to a question regarding the circumstances for clawback, the Board were assured that only in the event of where a College falls foul of ESFA regulations or a reclassification of regulations, however in that circumstance the clawback could not be retrospective.

6.3 KPIs July 2021

The KPIs were reported as follows:

	Actual 31 st July	Forecast outturn	Budget
Cash Days in Hand	115	115	88
Adjusted Current Ratio	5.61	3.17	3.25
EBITDA (Earnings before interest, taxes, depreciation and amortization)	20.43%	12.38%	8.67%
Financial Health	Outstanding	Outstanding	Outstanding

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	<p><u>6.4 Regularity Questionnaire 2020/21</u></p> <p>The Corporation received the completed Regularity Questionnaire for 2020/21 which had previously been considered and approved by the Finance & General Purposes Committee in September and had been signed by the Chair of Corporation and CEO/Principal. It was confirmed that the College was entirely compliant, and the questionnaire would be forwarded to the External Auditors for scrutiny. It did not include any provision for clawback and the deadline for inclusion was 10th December.</p> <p><u>6.5 Student Recruitment 2021/22</u></p> <p>The Board received a report which gave an overview of the College’s learner recruitment to date. However, it was noted that the census dates had not yet been reached (FE six-week census date, 18th October and HE 1st November), and the reported figures were therefore subject to change up to two weeks post census.</p> <p>It was recognised that whilst targets may not be realised (in particular level 2 and 3 students), overall, it was anticipated that growth would be achieved.</p>
7.21	7.0 Audit Matters
	<p><u>7.1 Chair’s Report/draft Minutes Audit Committee</u></p> <p>The Audit Committee met on the 1st October to discuss the Apprenticeship Audit Report. 20 recommendations were considered and agreed. The report concluded that the lack of an apprenticeship strategy was limiting the ability of the College to deliver an effective, profitable apprenticeship provision. The recommendations included a review of the approaches to engaging employers and an analysis of the use of resources required to transition from silo working.</p> <p>The Deputy Principal (Curriculum & Quality) had presented an action plan going forward and it was agreed the outcomes would be monitored through the Curriculum & Quality Committee and through the CEO/Principal’s appraisals. It was noted that the Commercial Director would be accountable for apprenticeship innovation and growth and work closely with the Deputy Principal (Curriculum & Resources) who would be accountable for the provision.</p>
8.21	8.0 Curriculum Matters
	<p>The Deputy Principal (Curriculum & Quality) presented an update on the following areas of curriculum, backed with a power point presentation to highlight the main points:</p> <ul style="list-style-type: none"> • Apprenticeship progress (including sub-contracted apprentices) • Maths & English • HE Achievement: HNC/D Business programme (satellite centre). The external examiner had approved all of the student work quality assessed by NESCOL’s quality team. Conclusion of the outstanding results in November and target date for all matters to be resolved 26th November.

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	<ul style="list-style-type: none"> • Teacher Observations: Observations had just concluded, outcomes will be reported to Curriculum & Quality Committee on 3rd November. • Equality & Diversity: An update on all the current and planned initiatives and assessment of BAME group retention rates being undertaken to facilitate the evaluation of relevant support levels. • Safeguarding and PREVENT: Update on new and ongoing incidents and staff training since the previous report. The Committee was informed that the Chair of Curriculum & Quality (and Safeguarding lead) and the Deputy Principal (Curriculum & Quality) meet monthly to discuss all safeguarding matters. <p><u>8.3 HE Sub-Committee Terms of Reference</u></p> <p>The proposed HE Sub-Committee Terms of Reference were presented and two amendments were suggested as follows, the amendments being highlighted in bold:</p> <p>7.3 To progress the development and monitoring of the achievement of continuous improvement in teaching and learning through rigorous performance management and appropriate professional development.</p> <p>7.4 To advance the development of successful planning and management of the HE curriculum and learning programmes to meet the needs and interests of learners, employers, and the local and national community.</p> <p>The Corporation agreed the proposed changes and it was agreed to seek confirmation at the Curriculum & Quality Committee on 3rd November.</p>
<p>9.21</p>	<p>9.0 HR Update</p>
	<p>The Director of HR gave the Corporation a comprehensive update on the incidents and testing/vaccine arrangements for Covid, and gave assurance on the safety measures in place to keep staff and students as safe as possible, both physically and mentally.</p> <p>It was noted that there were no questions arising from the recently updated anti-bribery policy.</p>
<p>10.21</p>	<p>10.0 Reports from Corporation Committees</p>
	<p><u>10.1 Chair's report and draft minutes from the Search & Governance Committee</u></p> <p>A meeting was held on 6th October and the Chair of the Committee highlighted the following points:</p> <ul style="list-style-type: none"> • Succession Planning – The Corporation discussed the vacant posts and it was acknowledged that regarding the posts of Chair of the Corporation and Vice-Chair of the Corporation it was important that NESCOT experience be considered as essential for at least one of the roles.

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	<ul style="list-style-type: none"> • The attendance report for 2020/21 concluded that overall the attendance had increased by 1% from the previous year to 91%. The target attendance was 80%. • It was agreed to continue the search for additional External Governors, particularly with skills in the areas of finance, audit and sustainability, as identified in the skills audit and to align with the requirements in the AoC Code of Good Governance.
11.21	11.0 Meeting Evaluation
	<p>The Chair invited the Corporation to evaluate the meeting and the following comments were made:</p> <ul style="list-style-type: none"> • Really thoughtful meeting • The CEO's presentation was very tight • Good to be back in the Board room for Corporation, great interaction • The CEO's presentation was really good – It has been a challenging year and whilst we have had some good financial results, I was glad to have the opportunity to discuss the imminent changes to the Corporation Board and the Senior Management Team in view of the Deputy Principal's (Finance & Resources) departure in December. • Great to see everyone and hear all their comments • The discussions were interesting, and I enjoyed the State of the [Union] Nation address • Good meeting, looking forward to meeting the challenges in the coming year • Some of the questions arising from the CEO's presentation were appropriately challenging • Thank you to the team for preparing all the material – well done • Very inclusive meeting – I am dialling in from Derbyshire and I feel like I am there • The leadership doesn't underestimate the challenge in this academic year but we are up for it. We are not complacent and will continue to push forward. <p>The CEO responded: we have some big challenges coming up and decisions to make, but we have masses of opportunities as well. We have to get the balance right and consolidate as we go along.</p> <p>In Corporation meetings we need to identify where we are going to meander and where we are going to march on when working through the agenda. If we have executive summaries and recommendations, we can get through business quite quickly.</p>

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	The Chair of Corporation summed up: The CEO's presentation was very important, and I didn't want to interrupt any of that or the Governors asking difficult questions. It is important for us to feel that our voices are being heard. However, we will try and keep it to time or maybe adjust the finish time of the meeting to later. We will take it away and have a look at that.	
12.21	12.0 Date & Time of the Next Meeting	
	Thursday 9 th December at 9.30am.	
13.21	13.0 Meetings & Events	
	Meeting/events up to the end of the Spring Term	
	SSPRC	Friday 28 th January 8.30am
	FE Corporation	Friday 28 th January 9.00am
	Curriculum & Quality Committee	Wednesday 23 rd February 2022 at 6.00pm
	Search & Governance Committee	Wednesday 9 th March 2022 at 6.00pm
	Audit Committee	Friday 11 th March 2022, at 9.00am
	Finance & General Purposes Committee	Friday 18 th March 2022 at 9.00am
	FE Corporation	Friday 25 th March 2022 at 9.30am
14.21	14.0 Any Other Business	
	<u>14.1 Review of AoC Code of Good Governance</u>	
	The Clerk shared an updated version of the AoC Code of Good Governance which was published in September 2021 and also a summary of the main changes.	
	Colleges were expected to report against the new version from January 2022 and the Corporation was informed that a further major review of the Code was due to take place post the Skills and Post 16 Education Bill.	

Decisions:

1. Agreed the changes to the HE Sub Committee Terms of Reference.

Actions:

1. Governor pack relating to anticipated Ofsted questions to be circulated.

Signed



Date...9th December 2021...

Professor Sam Luke, Chair of the Corporation