



Minutes of the North East Surrey College of Technology Corporation Meeting held on Friday 17th April 2020 at 15.00 via Zoom.

| Present: | In Attendance: |
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| Professor Sam Luke (Chair) Mrs Lynn Reddick (Vice Chair) Mr Simon Enoch Ms Maureen Kilminster Ms Margaret Martin Mr Chris Muller Mr Vince Romagnuolo Mr Peter Stamps Mrs Frances Rutter (Principal and Group CEO) Mr Graeme Hodge (Support Staff Governor) Mr Jamie Roberts (Teaching Staff Governor) | Ms Maria Vetrone – Deputy Principal (Finance and Resources). Mr Cliff Shaw – Deputy Principal (Curriculum and Quality). Mr Dario Stephens- Vice Principal (Planning and Information Systems). Ms Donna Patterson – Director of HR and Organisational Development. Mrs Josephine Carr – Clerk to the Corporation. |
| Attendance 85% | |

| Meeting reference | Agenda Item |
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| 68.19 | 1. Apologies for absence |
| | No apologies were received from the Student Governors. |
| 69.19 | 2. Declarations of Interest |
| | The Chair reminded Members to declare any interest they may have in any of the items on the agenda. <u>Professor Luke</u> : unremunerated Director of NESCOT Enterprises Ltd, North East Surrey College of Technology Trust, NESCOT Holdings Ltd and Epsom Downs Business Centre Ltd. <u>Mr Stamps</u> : unremunerated Director of NESCOT Enterprises Ltd. <u>Mrs Rutter</u> : unremunerated Director of NESCOT Enterprises Ltd, North East Surrey College of Technology Trust, NESCOT Holdings Ltd and Epsom Downs Business Centre Ltd. <u>Mrs Lynn Reddick</u> declared her interest as the Director of Learning at the Orpheus Centre, a specialist provider in Surrey. <u>Ms Margaret Martin</u> declared her interest as a member of Ewell Rotary Club and a trustee of Age Concern. <u>Ms Maureen Kilminster</u> declared her former position as the Principal of a College in Surrey. |
| 70.19 | 3. Minutes and Matters Arising |
| | The Clerk has contacted the FE Student Governor who is well and is continuing his studies online and working part-time. The Deputy Principal (Finance and Resources) has RAG rated the COVID-19 Financial paper as requested at the meeting of 3 rd April. The Deputy Principal (Curriculum and Quality) advised the meeting that the College is still awaiting advice from the ESFA regarding the work experience of Trainees during COVID-19. The minutes of the meeting held on 3 rd April 2020 were approved as a correct record and the Chair added his electronic signature to the minutes. |
| 71.19 | 4. Quoracy |
| | Further to the decision of 27 th March to reduce the Corporation meeting quoracy from five to four external members during the COVID-19 pandemic which was re-confirmed at the meeting of 3 rd April, the meeting confirmed that the quoracy should continue as four external members and would be reviewed at the next Corporation meeting of 1 st May 2020. |
| 72.19 | 5. Coronavirus |
| | <u>5.1 Update on the Operational Implementation Plan including IT.</u> |

The Principal advised that DRT continues to meet every day. Staff updates are published daily save over the Easter Bank holiday weekend and have included IT Q and A guides together with annual leave requirements (as discussed at the meeting of 3rd April). As the lockdown continues, staff morale has decreased as they maintain busy workloads together with balancing family commitments. The Principal ensures that her "All-Staff" updates include good news stories.

Ofqual have published some announcements regarding the grading of summer 2020 qualifications but further details are awaited.

The vulnerable and High Needs students appear to be coping quite well.

Nescot has been liaising with Surrey CC regarding Nestots. The Council has advised that there will be no additional funding available for the Nursery should they accept additional children of key workers (other than the standard government childcare subsidy). Therefore, ELT has decided that Nestots will remain close and that nursery staff are furloughed for a further three weeks while the situation is monitored.

Today's all-staff email confirmed that the College campus would remain closed for a further three weeks as per the Government announcement of 16th April.

The Summer Term officially commences on 20th April and maintaining student engagement will be the biggest challenge to date.

DRT are planning for the College to re-open. One week will be required to ensure that the Campus is ready and safe to accept returning staff and students. Any re-opening will be subject to the Government's guidance regarding social distancing, probably on a phased basis with the vulnerable students and those requiring practical assessments returning first.

A big staff concern is IT usage with not all staff working remotely at the same levels of competence or comfort. Staff are juggling work and family commitments during the day with many working in the evening. The College has imposed a 10pm daily shut down time for the virtual desktop for systems to be updated.

The meeting thanked the Principal and her team for their work during these challenging and unprecedented times.

5.2 Financial impact update

The Deputy Principal (Finance and Resources) confirmed that the financial impact of COVID-19 updated paper included confidence levels (RAG rated) as per the request of the previous meeting. The definitions of the RAG rating are included at the bottom of the table. Those items graded as red have negligible scope for change.

There is one income line graded as Amber, line 10, Apprenticeships. The original shortfall was estimated at £950K and subsequently revised to £870K. The Deputy Principal (Finance and Resources) is anticipating further marginal improvement in the shortfall of apprenticeship income in 2019/20.

The income lines of Capacity building and High Needs, lines 11 and 12, are rated as green because significant improvement in these forecasts is anticipated. The DfE has announced today that there will be no clawback of the £215K annual grant provided that the College is able to demonstrate that student placements have been arranged. The Deputy Principal (Curriculum and Quality) is checking with the College Work Experience Team to establish this and have request clarification from the DfE regarding

the timing of the work placements due to the current restrictions. For the last two academic years the College has consistently achieved the Work placement targets and so the Deputy Principal is reasonably confident that the target will be met, dependent upon timing, for 2019/20. The Chair requested an update at the next meeting regarding how many work placements had either been completed or commenced for 2019/20.

Line 12 High Needs recharges of £350K is the worst-case scenario. The Deputy Principal (Finance and Resources) is hopeful that the local authorities will honour these commitments and will provide an update at the next meeting.

Line 22 Wages line: the original sum estimated for College Staff joining the furlough scheme has been reduced from £150K to £120K. The Furlough Scheme has been extended until 30th June. However, the College may only apply for staff in a Commercial activity or non-funded roles. The Director of HR is currently investigating whether staff within the Apprenticeship Team may join the Furlough Scheme.

Line 35 non-pay costs of £7K following the cancellation of the student trip to Tenerife was deemed not a significant amount for board discussion.

In summary, the tabled paper forecasts an operating deficit of £2.3M at 31st July 2020. £1.6M relates to the impact of COVID-19 and £709K relating to the 2019/20 budget. The Deputy Principal (Finance and Resources) anticipates reducing this figure by a further £0.5M.

The Deputy Principal (Finance and Resources) advised that she anticipates seeing the first draft of the March management accounts by the middle of next week. These have been delayed by the induction and establishing of remote working of the new management accountant and the Easter holiday period. The Deputy Principal hopes to circulate the March Management accounts during the week commencing Monday 27th April. The Chair of Finance and General Purposes suggested holding a Finance and General Purposes Committee meeting on Friday 1st May.

The Deputy Principal (Finance and Resources) advised the meeting that the AoC finance network is suggesting that most Colleges are running at an operational deficit for 2019/20 and that some colleges are anticipating to run out of cash by March 2021 unless financial assistance is available.

5.3 COVID-19 Risk Register

The Chair asked the Deputy Principal (Finance and Resources) to elaborate on the top three red rated risks and three green rated risks.

Three net high risks:

1. Risk 1 - Cyber Fraud: it is essential that College communications and data are secure. The Internal Auditors have advised that online fraud attempts have increased during the current pandemic. Work undertaken since the cyber-attack of October 2018 has enabled the College to be in a reasonably secure position regarding cyber security. The key mitigating actions include constant monitoring of suspicious activity on the College network and regular reminders to staff that everyone is responsible for cyber security.
2. Risk 9- Finance: DRT have discussed this in detail. However, the Deputy Principal (Finance and Resources) has rated this as high until the March management accounts are available. The key to survival is good forecasting and the maintenance of cash balances. The Deputy Principal (Finance and Resources) is awaiting the cashflow projections updated in the March management accounts and will then review this risk rating. The Government has requested that banks assist colleges as much as possible and Nescot currently has a good relationship with its bank. However, both the private sector and independent schools have reported that banks appear

hesitant to lend money and that the new loan application processes are taking up to three weeks to be completed.

3. Risk 15 – Engagement with Employers: The Sales Team is advising that the sales pipeline is drying-up. The College is engaging with employers, who faced with challenges of COVID-19 and the lockdown are laying-off apprentices and are reluctant to commit to new apprentices or additional College services at this juncture.

Three green rated risks:

1. R18-Ineffective Teaching, Learning and Assessment. The College IT systems and the TLA Handbook are supporting innovative online delivery of teaching and assessment. This risk will be further mitigated by the introduction of Google classroom for the next academic year. The current high levels of student engagement are a testimony to how well the College staff know and understand their students.
2. Risk 19 – Ineffective Safeguarding. This is potentially a high risk which has been well managed by DRT which includes the Director of Foundation Learning. The Director of Foundation Learning has ensured that both LSAs and Progression Tutors are working closely with vulnerable and high needs students.
3. R20- Staff Wellbeing: There will be a significant impact on staff wellbeing when the Campus re-opens as some staff may decide that they do not wish to return to work on site; some will be concerned regarding social distancing when returning to work on site and others will be happy/relieved to return to working on campus. There will be challenges in the short and longer term. ELT is considering re-induction sessions for both staff and students together with a phased return to working on campus for staff and students.

The Chair thanked the Deputy Principal (Finance and Resources) for her presentations.

5.4 Curriculum update including safeguarding.

The Deputy Principal (Curriculum and Quality) reported that the principal Curriculum focus is twofold; maintaining student engagement and preparing for a phased return to College.

Keep warm activity during the Easter break and online teaching have resulted in a number of compliments submitted by parents and carers of students. To date, no complaints have been submitted. The Deputy Principal (Curriculum and Quality) will be collating the compliments as evidence for the next OFSTED inspection and these will also be sent to Governors for information.

Nescot apprentices appear to be in a better position than those of other Colleges and the national reports with 31% still reported as working. However, work may dry-up for these apprentices as the lock down continues. The College is able to maintain its delivery to all apprentices in all of these categories with the exception of the 'made redundant' apprentices.

- 227 furloughed
- 22 off without pay
- 61 pending (have work at present but there is a risk of work running out so may be furloughed soon)
- 27 self-isolating
- 157 working
- 4 sacked / made redundant.

The College is working closely with employers and is trying to find new employers for the four apprentices whose contracts have been terminated. However, this is proving particularly difficult due to the reluctance and / or inability of companies to take on apprentices currently.

The Director of HE is in regular contact with the College's HE validating partners. The arrangements for HE assessment summer 2020 vary amongst individual validating institutions. The College is awaiting details from each of the validating HE institutions but communications with them are regular and ongoing.

Ofqual have now confirmed that summer 2020 vocational qualifications will be graded by teacher assessment. However, some courses, such as electrical and plumbing, are likely to require an end of year practical assessment and these students will be included in the first phases of returning students when the campus reopens.

The AoC is suggesting that OFSTED inspections are suspended until January 2021. However, this is unlikely to happen, given the number of Colleges currently in intervention, financially challenged and undergoing mergers. The DfE will not be publishing summer 2019/2020 performance data or achievement, so these will not be used to drive OFSTED inspection outcomes.

IT access for students: As reported at the 3rd April meeting, 29 College laptops were prepared for collection by students who reported not having access to a PC at home. Two students did not collect their allocated laptop and one student with significant health issues was unable to collect the designated device. The local Rotary Society is trying to purchase a device for this disadvantaged student to use during the pandemic.

The College has had some success in contacting further the 1.8% of students who were reported as not contactable as at 3rd April. These are typically students who demonstrated poor attendance before the campus was closed, however, staff continue trying to contact these particular students.

The College “Keep Warm” Group is designing and delivering ongoing communication with, and online events for prospective and existing students.

There is a risk that a number of employers who had agreed to provide work placements for Nescot students may withdraw these offers due to the impact of COVID-19 on their respective business or because of concern regarding on-going social distancing measures.

The Deputy Principal (Curriculum and Quality) confirmed that he had exchanged safeguarding information with the local authorities during the pandemic but nothing of a significant nature. Whilst the media is reporting safeguarding concerns, in addition to its preventative and support measures, the College may only respond based on the information it holds about specific students.

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| 73.19 | 6. Update Reports |
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| 73.19 | 6. Update Reports |
| <u>6.1 Mental Health, sickness and wellbeing.</u> | |

The Director of HR advised the meeting that the wellbeing section for staff will be added to SharePoint next week.

There have been no confirmed COVID-19 cases or hospitalisation of College staff. Six members of staff have taken sick leave with COVID-19 like symptoms.

No staff have taken sick leave with mental health issues due to the COVID-19 pandemic.

The College workforce appears to have avoided COVID-19 issues to date and this is in part due to the early actions taken by the College, in particular the remote working for staff with underlying health issues.

In response to a member question, the Director of HR advised that ELT are able to gauge staff morale/wellbeing via feedback from DoFs at SMT meetings and there will be a “We Thrive” staff survey at the beginning of term.

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| 73.19 | 6. Update Reports |
| <u>6.2 Applications 2020/21 update.</u> | |

The Vice Principal reported that there 31 applications had been received over the Easter two-week period compared to 63 in 2018/19. However, as reported at the meeting of 3rd April, HE applications were 10% higher and FE 12% than at the end of March 2019. Overall, applications remain higher than 2018/19 but COVID-19 will inevitably impact upon the timing of applications. It will be interesting to know how other Colleges are faring with applications.

The Vice Principal will have a more detailed report at the next meeting.

The key focus for the Admissions Team is preparing for 2020 enrolment, whether this be in person, using an online portal or a combination of both.

Chair's summary:

The Chair thanked ELT for the summary of activity to date and thanked all staff for their commitment.

With regard to College finances, the Finance Team should keep working to reduce the deficit and keep possible lines of credit open.

The College should continue to stress test its IT and statistics should be tabled at the next meeting.

The COVID-19 Risk Register is a useful tracking document central to the process.

Staff have introduced innovative ways of engaging students online and the College should look to weave these innovations into future delivery once the COVID-19 restrictions have been lifted. Some learners prefer online learning whilst others do not and the College needs to be able to provide for these student preferences.

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7. Meetings

7.1 Meeting Evaluation: The Chair invited members to review the effectiveness of the Corporation Board meeting.

Comments included:

- Concern regarding COVID-19 threats to the College as a going concern. The banks may not be as willing to lend money as the Government suggests.
- The fortnightly update meetings are useful.
- The extension of the Furlough Scheme to the end of June is helpful to the College in its desire to maintain staff employment in the long-term.
- The commencement of the virtual summer term on Monday 20th April and the engagement levels of students will be an acid test for the College.
- The planning for a phased return to College for staff and students is excellent.
- Governors need to consider the impact of COVID-19 on both students and finances for 2020/21. Governors should not lose sight of any matters put on hold during this period such as the revision of the terms of reference for the Growth Committee.
- It is important to expediate the achievements of students as soon as possible and then discuss progression with them. The challenge is to make learning seamless between College and home.
- The Clerk is attending an Evershed's College Insolvency webinar on Tuesday 21st April.
- The pandemic is presenting huge unprecedented challenges for the College and Monday will be an acid test, together with planning for a phased return to College and a series of eventualities for September 2020.

The Chair thanked ELT for their considerable efforts. The Chair proposed that the fortnightly meetings continue with a Finance and General Purposes meeting to discuss the March Management Accounts

and impact of COVID-19 on College finances on Friday 1st May and a Corporation meeting on Friday on Friday 15th May both at 5pm.

7.2 Date and time of next meeting:

Finance and General Purposes Committee Friday 1st May at 5pm.
Corporation Friday 15th May at 5pm

7.3 Future meetings and events:

Curriculum and Quality Committee Wednesday 6th May at 6.00pm
Search and Governance Committee Thursday 7th May at 6.00pm
Audit Committee Monday 13th July at 2.00pm
F&GP Committee Friday 17th July at 9.00am
Senior Staff and Remuneration Committee Friday 24th July at 8.00am
FE Corporation Friday 24th July at 9.00am

75.19 | **8. Any Other Business**

There being no other business the meeting closed at 18.17.

Decisions made:

1. The meeting agreed that the temporary Corporation quoracy of four external members should continue and be reviewed at the next meeting of 1st May.
2. The fortnightly meetings will continue with a Finance and General Purposes meeting to discuss the March Management Accounts and impact of COVID-19 on College finances on Friday 1st May and a Corporation meeting on Friday on Friday 15th May both at 5pm.

Actions agreed:

1. The Deputy Principal (Curriculum and Quality) to provide an update regarding how many work placements had either been completed or commenced for 2019/20.
2. The Deputy Principal (Finance and Resources) will provide an update regarding local authorities' commitments to the College's recharges for High Needs Students.
3. IT stress test statistics will be tabled at the next meeting.

Executive Summary:

1. An operating deficit of £2.3M at 31st July 2020 is forecast. £1.6M relates to the impact of COVID-19 and £709K relating to the 2019/20 budget. The Deputy Principal (Finance and Resources) anticipates reducing this figure by a further £0.5M.
2. There have been no confirmed COVID-19 cases or hospitalization of College staff. Six members of staff have taken sick leave with COVID-19 like symptoms. No staff have taken sick leave with mental health issues due to the COVID-19 pandemic.
3. Applications remain higher than 2018/19 but COVID-19 will inevitably impact upon the timing of applications.
4. Staff have introduced innovative ways of engaging students online and the College should look to weave these innovations into future delivery once the COVID-19 restrictions have been lifted. Continued student engagement for the summer term commencing on 20th April will be an acid test for the College's online provision.

Signed 

Date ...22nd May 2020...

Professor Sam Luke, Chair of the Corporation