



Minutes of the North East Surrey College of Technology Corporation Meeting held on Friday 22 May at 09.00 via Zoom.

Present:	In Attendance:
Professor Sam Luke (Chair) Mr Simon Enoch Ms Maureen Kilminster Ms Margaret Martin 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) Attendance 90%	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 Sandra Dessent – Clerk to the Corporation.

Meeting reference	Agenda Item
76.19	1. Apologies for absence
	No apologies were received
77.19	2. Declarations of Interest
	<p>The Chair reminded Members to declare any interest they may have in any of the items on the agenda.</p> <p><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.</p> <p><u>Mr Stamps</u>: unremunerated Director of NESCOT Enterprises Ltd.</p> <p><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.</p> <p><u>Ms Margaret Martin</u> declared her interest as a member of Ewell Rotary Club and a trustee of Age Concern.</p> <p><u>Ms Maureen Kilminster</u> declared her former position as the Principal of a College in Surrey.</p>
78.19	3. Minutes and Matters Arising
	<p>The minutes of the meeting held on 17 April 2020 were approved as a correct record and to be sent to the Chair for his electronic signature.</p> <p><i>(Note: the dates recorded for future meetings in the section decisions made in the minutes were changed following the meeting and the new dates are recorded under minute 83.19)</i></p> <p>It was noted that actions to be undertaken recorded in matters arising were included in items on the agenda.</p> <p>The Chair welcomed the new Clerk to the Governors – Sandra Dessent and expressed thanks and good wishes for the future to the previous Clerk Josephine Carr.</p>
79.19	4. Quoracy
	It was agreed that the quoracy should continue as four external members and would be reviewed at the next meeting on Friday 19 June

80.19 | **5. Coronavirus****5.2 'Re-opening College' Update**

The Principal presented a paper detailing the up to date guidance on easing of Coronavirus lockdown restrictions following the government's announcement that some school years could return at the beginning of June (although no specific reference was made to colleges).

Following on from the government guidance the DfE issued more specific information for educational establishments including colleges, which was summarised as follows:

- The focus should be on 16-19 especially those in the first year of two year courses, receiving some face to face contact in college to complement online delivery (*Note: Nescot stopped online delivery on 15 May in light of guidance from awarding bodies that any further work would not be assessed for the purposes of awarding qualifications*)
- Priority should be given to vulnerable and key workers learners particularly those with Education, Health and Care Plans (ECHP), at risk of Not in Education, Employment or Training (NEET) or with a social worker appointed, and the responsibility for prioritizing lies with the college
- Learners, their families and staff are entitled to free testing if anyone presents in college with symptoms
- Attendance should be limited to small socially distanced groups as per the guidance
- Walking and cycling to college to be encouraged but if not possible public transport to be used for students with no other means of access and preferably during off-peak. (*Note: Face to Face sessions should be timed to accommodate this*)

The Business Continuity Group (including all of SMT) have been meeting three times a week to discuss the considerable challenges associated with the guidance. In order to prepare and implement a successful plan, the following actions would need to be considered:

- Establishing with parents and carers if there is a demand for the college to re-open
- Staff availability and assessing their willingness to return
- Availability and procurement of PPE equipment
- Social distancing requirements
- Catering requirements
- Enhanced cleaning regimes
- Estates team support (currently limited)
- Preparation of risk assessments for all aspects of attendance
- Engagement with the relevant personnel

The Principal advised that the operational plan was due to be finalised on 29 May and subject to the agreement of the leadership team would be implemented accordingly and shared with Governors.

The Principal also advised of the following updates:

Enrolment: The process has been brought forward prior to the summer break and delivered online in order to reduce the numbers enrolling in August. To dispel uncertainty as much as possible all students applying are being offered a place.

Nestots: The government are keen to welcome back more children in particular 3-4 year olds as well as vulnerable children and children of key workers. The Nursery is making plans to reopen following Surrey Early years guidance, in consultation with staff. They have committed to opening only when safe and appropriate PPE is available. A survey has been sent to parents to ascertain their requirements.

Gas Academy: Plans for a reopening in early June are being prepared with the aim of protecting future income and the reputation of the centre with existing students.

5.1 Update on the 'Way Forward' Plan'

The Principal advised that a phased introduction of 'blended learning' would be the focus from September onwards, delivered on a faculty by faculty basis.

The teaching will be delivered through the platform Google Classroom and centre on front loading theory followed up by practical sessions.

It was recognised that in order to successfully implement this new ground-breaking teaching method it was important that both staff and students were able to engage with and feel supported through the journey of cultural change. Nevertheless, it was noted that in view of the challenges and uncertainty created by the lockdown restrictions and social distancing students and staff would be more likely to see this as a positive change and embrace the new concept.

It was agreed that further details of the project would be presented at the next meeting on Friday 19 June and in the meantime the Deputy Principal (Curriculum and Quality) agreed to circulate the Google Classroom briefing.

5.3 Management Accounts

The Deputy Principal (Finance and Resources) presented the Management Accounts for March 2020 which included an initial view of the year end projections.

The main points were as follows:

- A worst-case operating deficit of £2,362k forecast at year end against a best case budgeted operating surplus of £NIL
- Total income of £25,102k forecast at year end representing an adverse variance against budget of £3,946k
- Total expenditure of £27,464k is forecast at year end representing a favorable variance against budget of £1,584k.
- Total pay expenditure of £15,797k forecast at year end representing a favorable variance of £10k
- The College's financial forecasting demonstrates that it is more likely that an operating deficit of £1,430k will be delivered at year end.

It was estimated that the financial impact of Covid-19 on forecasted total income at year end would be a loss of £2,648k in the worst case.

I was reported that despite a very difficult operating environment, the College would be able to absorb the forecast operating deficit because cash had been protected in recent years and was available. The income and required immediate and ongoing management attention to strictly contain the cost base whilst income lines cannot be further influenced. Actual and forecast key performance ratios on the whole remained relatively strong because of the College's underlying financial health, although significantly behind all of the College's defined targets for the year. Actual EBITDA to date was strong, although the forecast at year end was much weakened as a result of COVID-19, and well behind budget and healthy operating levels, reflecting much lower than planned cash generation because of reduced activity and fixed costs, and the resultant forecast operating deficit. The pay expenditure ratio exceeds budget, reflecting the challenge of implementing pay cost savings/ efficiency targets at a time when 16-18 student numbers have increased and lagged funding takes effect next year whilst the costs of delivery are borne in the current year; and the significant reduction in forecast total income. The Balance Sheet key performance ratios remain relatively strong with acceptable levels of working

capital and liquidity, reflecting the College's continued solvency although currently performing behind set targets and budgets.

The forecast is expected to improve in the April forecast by up to £565k from the release of income streams at risk, including the Capacity and Delivery grant of £215k which is unlikely to be clawed back by the DfE; and High Needs recharges of around £350k which local authorities are expected to pay the College in accordance with government Procurement Practice Notes regarding continued payments to suppliers of services to protect supply chains.

However, despite the adverse effect of the virus the College was in a good position in terms of overall financial health especially when compared to the rest of the sector. The College's financial health grade is assessed as 'outstanding' at 31 March 2020 and assessed as 'good' at year end, which still allowed the college to continue investing in developing new projects which would in turn promote future growth.

The Chair thanked the Deputy Principal (Finance & Resources) for the comprehensive and detailed management accounts and KPIs.

COVID-19 Risk Register

The Deputy Principal (Finance & Resources) presented the Risk Register and emphasized the following points/changes from the previous register:

- New risk – Inadequate Return to College Plan - Level of risk significant (risk 5 on the register). Could put at risk health of college staff, students and visitors leading to cases of Coronavirus at college, adverse impact on business as second lockdown of college may need to be instigated and damage to reputation. *(Note: Action plans are being developed to minimize risk and will be shared with the Board accordingly)*
- New risk - Failure to respond effectively to Covid related gaps in learning result in students and apprentices lacking and having deficits in the skills, knowledge and understanding they need to achieve and to progress. Failure to respond effectively to Covid related impact on returning students and apprentices who lose confidence, lowered self-esteem and anxiety as a result of inactivity, isolation, family / personal poverty issues causing failure to engage and remain in learning.
- Following publication of the March accounts which are detailed and track the worst-case scenario, the Financial Management (risk 11 on the register) downgraded to an acceptable net risk.

With regard to Cyber Fraud (risk 1 on the register) the Board were informed that no significant concerns had been raised since the last report and the college were continuing to work towards minimising risk and as part of that obtaining a Cyber Credentials certification.

The wellbeing of staff was also discussed (risk 15 on the register) and details of the 'We thrive' survey are detailed under item 6.2 on the agenda.

5.5 Curriculum update including safeguarding

The Deputy Principal (Curriculum & Quality) presented a paper which included the following highlights:

- Office of Qualifications and Examinations Regulation (Ofqual) results of consultation imminent and the college are in the process of enacting the calculations of students' final grades where the instruction and relevant evidence has been received
- Compliments continue to be received from parents and carers mainly centering around learning support and the role staff have played in keeping students engaged. *(Note: copies of compliments to be circulated)* No complaints have been received

- Google Classroom to be the main learning platform from September onwards and facilitated by IT in terms of supportive hardware. Google Classroom will form the core of July CPD and will have additional training programs to help the staff get ready to use it
- Safeguarding: Total number of referrals 714 compared to 482 for academic year 2018/19 – red safeguarding cases 8

A work experience update was requested at the previous meeting, as follows:

- 688 placements cancelled
- 171 completed and signed off
- 416 partly completed/awaiting some evidence for sign off
- Communication with employers continues via email and phone – response to date has been limited but expected to pick up going forward

81.19 **6. Update Reports**

6.1 Legal advice to Corporation regarding Nescot Enterprises Ltd (NEL)

The Board received a paper based on advice from the college legal advisors Irwin Mitchell, in response to a request by the Finance & General Purposes (F&GP) Committee seeking assurance that the interests of the NESCOT corporation were protected in restoring NEL, and in the delivery of the NEL Business Plan 2024.

The paper detailed the justifications for setting up NEL and confirmed that three draft agreements had been reviewed, approved and signed by the Corporation and NEL Board i.e. Loan agreement, Services agreement and Shared Resources Agreement. Irwin Mitchell have advised that all three agreements are 'adequate' and have provided recommendations to clarify some of the provisions in the agreement (as set out in the paper), which were considered by the college management team but not regarded to be essential. They concluded that the agreements provided a clear framework in which NEL and the College can operate.

6.2 Mental Health, sickness, Wellbeing and Staff Survey

The Director of Human Resources & Organisational Development advised the Board that the 'We Thrive' Survey had concluded, and 191 responses had been received. The majority were very positive and where there were concerns it was mainly with aspects of IT and suitable office equipment for home use. Five respondents reported that the COVID-19 restrictions had created an increase in workload and five reported that current circumstances had adversely affected their mental health. *(Note: It was confirmed that the Wellbeing Sharepoint was up and running).*

The Board were assured that the Unions were being kept up to date with issues that had the potential to affect their members.

The importance of assuring all staff and students of the steps being taken to ensure their wellbeing and safety was discussed. This would be achieved through directive supportive leadership and a clearly defined process of small steps.

It was confirmed that there hadn't been any suspected or confirmed cases of COVID-19, deaths or tests carried out since the previous meeting, and in total seven members of staff had taken sick leave.

6.3 Applications 2020/21 update

The Vice Principal gave a verbal update on applications, as follows:

- Applications were up 17% compared to the previous year
- HE applications had dropped by 6% mainly in the areas of teacher education and sports therapy
- 23% decrease in applications in the 19+ age group

- The method for recording Apprentice applications had changed and it was therefore more difficult to provide a like for like comparison with the previous year. However, the Corporation were assured that regular communication with employers was a continuing priority.

The Principal shared a local news report that stated 25% of employers who had plans to take on Apprentices had decided not to do so due to the current economic climate. Also regarding HE there was potential to attract more students who due to the inevitable changes in teaching methods in universities (i.e. mostly online) may be attracted to a local college as a more suitable alternative.

6.4 College KPIs

The Corporation received a paper from the Vice Principal detailing the up to date performance against six key priority indicators.

6.5 Progress Towards the Strategic Objectives

It was agreed to carry the item forward to the next meeting, and the Vice Principal assured the Corporation that positive progress had been made in working towards achieving the strategic objectives.

82.19	7. External Governor Recruitment
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<u>7.1 Minutes of the Search & Governance Committee</u>

The Board were advised that further consultation needed to take place before the minutes could be finalised and it was agreed to discuss outside the meeting. (*Note: The Principal agreed to liaise with the relevant Chairs regarding outstanding minutes*)

<u>7.2/7.3/7.4 Appointment of Nick Vaughan-Barratt – CV/Appointment of John Willis – CV/Re-appointment of Chris Muller and Peter Stamps</u>

It was agreed to take these items forward to the next meeting to allow for further communication with the candidates.

83.19	8. Meetings
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8.1 Meeting Evaluation

The Chair invited members to review the effectiveness of the Corporation Board meeting.

It was unanimously agreed that it was a good meeting, and the following comments were made:

- Despite the challenges and difficulties presented by COVID-19 the college has continued to move forward and a lot has been achieved in a few short weeks.
- Encouraging to hear about the results of the staff survey, it would be useful to expand the scope of the survey to include students in order to ascertain their views that could be considered when developing the blended learning program
- Great interest and excitement about the 'way forward' focused on blended learning and Google Classroom
- In the current circumstances understandable concern regarding the financial position but pleased to note the March 2020 accounts demonstrate that the college is in control of and managing the financial strategy
- Accelerated digital transformation has been a positive outcome of COVID-19
- Recognition and appreciation for the IT team who have worked hard to remotely release office 365 and the new staff portal
- Thanks, and well done to the team for holding it all together

The Principal expressed great praise for the team who have excelled during very tough circumstances. Exciting times ahead with blended learning and thanks to IT for their support and bearing with the increased workload.

The Chair thanked everyone for their input especially for the financial clarity and reassurance that although we are dealing with large numbers there is confidence that the relevant controls are in place. The College is ready to grab the 'new normal' and blended learning is the way its going to go. Looking forward to the June meeting and seeing how we come back from COVID-19 and make the most of the opportunities ahead of us.

8.2 Date and Time of Next Meeting

The next FE Corporation meeting will be held on Friday 19 June at 09.00

8.3 Future Meetings and Events

FE Corporation	Friday 19 June	09.00
Audit Committee	Monday 13 July	14.00
Finance & General Purposes Committee	Friday 17 July	09.00
Senior Staff Performance and Remuneration Committee	Friday 24 July	08.00
FE Corporation	Friday 24 July	09.00

84.19 9. Any Other Business

There being no other business the meeting closed at 11.03

Signed



Date 19th June 2020

Professor Sam Luke, Chair of the Corporation