



**MINUTES OF THE MEETING OF THE FE CORPORATION HELD ON FRIDAY 6<sup>TH</sup> NOVEMBER 2020 AT 9.30AM IN COMMITTEE ROOM B AND VIA ZOOM**

**Present:** Professor Sam Luke (Chair) Lynn Reddick (Vice-Chair), Simon Enoch, Margaret Martin, Chris Muller, Vince Romagnuolo, Peter Stamps, Nick Vaughan-Barratt, John Willis, Graeme Hodge (Staff Support Governor), Jamie Roberts (Staff Support Governor) Frances Rutter (Principal)

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

<b>1.20</b>	<b>1.0 Apologies for Absence</b>
	No apologies for absence were received
<b>2.20</b>	<b>2.0 Declarations for Interest</b>
	<p>The following declarations were made:</p> <p><u>Professor Luke</u>: unenumerated 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>: unenumerated Director of NESCOT Enterprises Ltd.</p> <p><u>Mrs Rutter</u>: unenumerated 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, a trustee of Age Concern and a member of Surrey Chamber of Commerce.</p>
<b>3.20</b>	<b>3.0 Matters for Report</b>
	<p><u>3.1 Chairs Report</u></p> <p>The Chair welcomed everyone and confirmed the change to an online Board meeting from an onsite meeting in the Board Room due to the new government guidelines that were now in place.</p> <p>The Board were advised that Maureen Kilminster had resigned from the Board. She had been a member since 2016 and her contribution had been much appreciated especially in the areas of curriculum and quality. She hoped to continue to support the college through her Rotary work.</p> <p>It was confirmed that the FE Awards scheduled for Thursday 10<sup>th</sup> December had been cancelled due to the ongoing restrictions. The importance of student recognition was discussed, and The Principal</p>

	<p>agreed to liaise with the Head of Marketing to discuss alternatives to an awards evening.</p> <p>The Chair advised that the Principal and the Clerk were progressing an exercise on the terms of office for Chair and Vice-Chair and the findings would be reported at the next meeting.</p> <p>It was agreed to change the running order of the agenda and move the Finance Reports from item 10.0 to item 7.0</p> <p><u>3.2 Principals Report</u></p> <p>The Principal presented an update on Covid-19 impact on staff and the implications for the college. The Board were advised that despite the challenges as a result of absent staff especially in the areas of IT and Estate/Caretaking everyone was doing their utmost to keep the college open and all students and staff safe.</p> <p>Details of the Kick Start scheme were shared with the Board – a government initiative providing 2 billion funding to create high quality six months placements for 16-24-year olds claiming Universal Credit. The Board were advised that the Surrey Chambers of Commerce was a recognised intermediary in co-ordinating business responses in Surrey and the college had been in discussion with them to understand how Nescot could assist in the activation of the scheme and it was hoped that a clear pipeline into apprenticeships could be developed. The Surrey Chambers had also agreed to promote Nescot’s innovative Rebuild programme.</p> <p>The Board was informed that the government were inviting bids for the second wave Institutes of Technology (IoTs) bringing together Further Education and Higher Education providers and employers with the aim of delivering the technical knowledge combined with practical workplace skills that employers are demanding. The Board were invited to review the information provided and a decision on submitting a bid would be made at the December meeting, and the Principal agreed to send out further information beforehand.</p> <p>The reports also included further details of the Coast-to-Capital careers hub initiative following Nescot’s appointment as lead college.</p>
<b>4.20</b>	<b>4.0 Minutes and Matters Arising from the previous meeting</b>
	<p>The minutes of the meeting held on 24<sup>th</sup> July were agreed as a true record and will be signed electronically by the Chair.</p> <p>There were no matters arising from the meeting.</p>
<b>5.20</b>	<b>5.0 Student Matters – Update on Student Elections</b>
	<p>The Clerk updated the Board on the recruitment process as follows:</p> <p>FE Student Governor: Initial discussions with two students had taken place but neither had wanted to take up the position at this time. First</p>

	<p>student representative meeting to take place mid-November providing the opportunity to ask for further nominations.</p> <p>HE Student Governor: One nomination received and will be appointed if no further nominations received by 6<sup>th</sup> November.</p> <p>It was still hoped that Student Governors will be in place by the December Board meeting.</p>						
<b>6.20</b>	<b>6.0 Staff Matters</b>						
	<p>The Staff Support Governors provided a verbal update for the Board and confirmed that most of the staff were coping well with the Covid-19 challenges and were pleased to be back on campus. There was still some uncertainty around the government guidelines for the second lockdown in view of the short notice. However, since returning in September their confidence was growing and they recognised the importance of reinforcing the social distancing rules to students.</p> <p>It was noted that a Governor who recently attended site had observed the calmness and professionalism of the staff.</p>						
<b>10.20</b>	<b>10.0 Finance Reports</b>						
	<p>The Deputy Principal (Finance &amp; Resources) presented the July 2020 accounts to the Board which had previously been presented to the Finance &amp; General Purposes Committee on 25<sup>th</sup> September 2020.</p> <p>The following outturns (Likely case scenarios) were reconfirmed:</p> <table border="1" data-bbox="386 1129 1360 1276"> <tr> <td>Forecasted operating surplus</td> <td>£166k</td> </tr> <tr> <td>Forecasted total income variance</td> <td>£1,729k</td> </tr> <tr> <td>Forecasted total expenditure variance</td> <td>£1,895k</td> </tr> </table> <p>The financial pressure points for 2019/20 were reported as follows:</p> <ul style="list-style-type: none"> <li>• Loss of income from Covid-19 - £537k</li> <li>• Loss of income from ASTML curriculum plan - £1,611k</li> <li>• Achievement of pay cost efficiency target in curriculum - £660k</li> <li>• Under enrolment against curriculum plan - £584k</li> <li>• Additional LGPS cost - £194k</li> </ul> <p>There was also a high level of inherent risk, particularly around:</p> <ul style="list-style-type: none"> <li>• Achievement of curriculum pay cost efficiency savings</li> <li>• Expansion of the joint venture partnership with ASTML</li> <li>• Impact of and recovery from Covid-19</li> </ul> <p>The Board was advised that the SMT had implemented a 5-point financial delivery plan, pre-COVID-19, focussed on:</p> <ul style="list-style-type: none"> <li>• Increased sales and marketing activity in high impact areas, including levy apprenticeships.</li> </ul>	Forecasted operating surplus	£166k	Forecasted total income variance	£1,729k	Forecasted total expenditure variance	£1,895k
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- Increased income from High Needs provision, school links, and 14-16 progression pathways with minimal additional costs.
- Review of staff recruitment for all non-mission critical posts to reduce down total pay expenditure.
- Review of non-pay expenditure budgets to reduce down.
- Review of cash management to increase returns through diverting additional surplus cash into higher risk investment funds.

The Board also received the financial key performance indicators as at July 2020 and the following outcomes were highlighted:

Cash days in hand July 2020	93
Cash days in hand forecasted outturn	91
Cash days in hand budget	97
Adjusted current ratio Actual 31 July 2020	4.01
Adjusted current ratio forecasted outturn	4.04
Adjusted current ratio budget	3.43

It was noted the importance of the adjusted current ratio as a strong indicator of solvency.

It was reported that following the publication of the July 2020 accounts there had been a further loss incurred through the write off of the Pavilion of (£156K) which had impacted the likely case forecasted operating surplus for 2019/20 outturn to £10k.

It was noted however that the outturn was still subject to external audit and an additional further impact from the withdrawal of apprenticeship funding from GB Training would result in an approximate deficit of £250k.

The Board discussed the savings incurred during the first lockdown in relation to Estate costs and were advised that the estate was too big to be cost effective and ways to reduce costs permanently were being investigated including removing the telephones and increased/alternative uses for the sports pitches.

The Deputy Principal (Finance & Resources) advised members that the detailed variances could be found in the July Management accounts and invited governors to contact her for any explanations or questions.

The Deputy Principal (Finance & Resources) was thanked for a clear and useful presentation.

<b>7.20</b>	<b>7.0 Update Reports</b>
	<u>7.1 Safeguarding, PREVENT, Health and Safety</u>

	<p>The Deputy Principal (Curriculum &amp; Quality) presented the updated Safeguarding reports which included four red cases together with the actions being taken.</p> <p>Details were also shared of all the initiatives in place to protect students and to enhance their wellbeing including the recruitment of a full-time Wellbeing Practitioner (also licensed to practice as a mental health practitioner) to meet the needs of the rising number of complex EHCP students. There was also a vacancy for a Student Wellbeing Coach.</p> <p>The impact of Covid-19 on student’s mental health and wellbeing was discussed and it was noted that the red cases were complex and the direct effect of Covid-19 was difficult to measure. However, it was agreed to produce a pie chart for the next meeting categorising the types issues that students had reported to the safeguarding team.</p> <p><u>7.2 HR Update</u></p> <p>The Director of HR provided an update on the successful plans that had been implemented for the safe return to work of college staff and reported that the summer break had provided a good opportunity to produce risk assessments and brief staff prior to the start of the new term. As a result most of staff were satisfied with the arrangements although a small minority had been quite challenging. HR were committed to supporting all staff who were anxious or whose mental health had been impacted.</p> <p>Since the return to work to date 10 staff had contracted the virus and all but one were isolated cases not connected with the college which was a strong indication that the precautions instigated by the college had worked.</p> <p>18 staff were self-isolating following contact with someone who had the virus (including half of the IT team) and there had been six positive student cases. Self-isolating staff were working at home where possible and if not were able to take time off or annual leave.</p> <p>Planning for the second lockdown had been challenging due to the short notice and had unsettled some of the staff. Clarity was still needed on the status and arrangements necessary for vulnerable staff.</p> <p>It was confirmed that the same staff who were furloughed during the first lockdown were again being furloughed on 80% pay.</p>
<b>8.20</b>	<b>8.0 Curriculum Matters</b>
	8.1 English & Maths: GCSEs and Functional Skills

	<p>The Deputy Principal presented the headline outcomes for 2019/20 as follows:</p> <ul style="list-style-type: none"> <li>• Overall GCSE 13% above national average</li> <li>• Overall high grades GCSE 17% above national average</li> <li>• 16-18 functional skills Maths and English static at 63% and 5% below national average.</li> </ul> <p>The Board were advised that further work needed to be done in the area of Functional Skills (especially Maths) where attendance had been low.</p> <p>In response the Deputy Principal (Curriculum and Quality) had developed an action plan which he shared with the Board, for Governors to use as a reference point and would enable them to track progress throughout the year.</p> <p>The plan was designed to help raise achievement rates (including high grades) for students whilst developing lifelong skills which could be used in education, work and social settings.</p> <p>The Board thanked the Deputy Principal (Curriculum &amp; Quality) for the excellent action plan and asked for thanks to be passed on to the Heads of Departments for their hard work in such difficult circumstances.</p> <p><u>8.2 Curriculum 2020/21</u></p> <p>The Deputy Principal summarised the overall outcomes and reported that the college's further achievement rate (including English and Maths) held up well despite the Covid-19 lockdown and the final overall further education achievement rate for 2019/20 was 86% only down 1% on the previous year. Vocational only was also a positive outcome, down 1% on last year at 84%, which was particularly pleasing as a high proportion of the college's provision is in vocational subjects. The HE achievement was still to be validated but around 9% up on the previous year.</p> <p>Going forward the nature of the post Covid-19 environment had created a very different landscape for both teaching and learning. In response action was being taken to face the challenges and maximise new opportunities including, meeting with Coast-to-Capital to discuss recovery and the Rebuild offer and working with the Emsi (labour market analysts) to better understand the labour market.</p>
<b>9.20</b>	<b>9.0 Strategy Reports</b>
	<p><u>9.1 Strategic Plan Scorecard</u></p> <p>The Board received the updated progress against strategic key performance indicators for 2019/20 and the Vice Principal advised that 2020/21 key performance indicators would be presented at the next Corporation meeting in December.</p> <p><u>9.2 Corporation KPI's</u></p> <p>The Board received the July 2020 Corporation Scorecard for July 2020 and members were advised that the outcomes would form the basis for</p>

	the review of the 2020/21 key performance indicates which would be presented to the Board at the Corporation meeting in December.
<b>10.20</b>	<b>10.0 Finance Reports</b>
	<p><u>10.4 Student Recruitment 2019/20</u></p> <p>The Vice Principal reported that recruitment for 20/21 had been challenging in the wake of the Covid-19 challenges. The outcome of predicated grades had resulted in many applicants receiving higher grades than they may have achieved by taking examinations. This in turn had impacted recruitment and students enrolling on higher grade courses having met the entry criteria.</p> <p>However the management team had successfully adapted the business model to facilitate recruitment in a Covid-19 restricted environment in a number of ways including; online virtual open evenings, 'keep warm' meetings; increased use of NESCOMMS mobile app; group interview presentations and procurement; onboarding of PURLOS applicant engagement system; implementation of an enrolment portal for the EBS student record system and a substantive presence and communication on the college's website.</p> <p>The resulting impact – a testament to the hard work of the staff - was as follows:</p> <p>FT FE 16-18 applicant numbers increased on the previous year by 17%, our FE 19+ declined by 23%, HE declined by 6%</p> <p>There was a 13% growth on ESFA 16-18 funded students, as of end of October 1,975. Many courses full and the following departments have met their planned targets for full-time further education students:</p> <p>Art &amp; Design (111%), Beauty (108%), Catering (100%), Care &amp; Early Years (101%), Carpentry (104%), Computing (100%), Plastering (117%), Public Services (129%), Sport (100%), Travel &amp; Tourism (101%)</p> <p>The Board thanked the Vice-Principal for an excellent, clear and informative report and commended the staff for their hard work in developing a new and innovative approach to recruitment.</p>
<b>11.20</b>	<b>11.0 Reports from Corporation Committees</b>
	<p><u>11.1 Finance and General Purposes Committee</u></p> <p>The Board received the draft minutes from the Finance &amp; General Purposes Committee held on the 25<sup>th</sup> September</p> <p><u>11.2 Search &amp; Governance Committee</u></p> <p>The Board received the draft minutes from the Search &amp; Governance Committee held on 6<sup>th</sup> October and the Clerk gave a brief overview on the business discussed at the meeting including attendance for 2019/20 and a membership review which included recommendations for a recruiting new governors.</p>

	<p>The Board also considered a recommendation from the Search &amp; Governance Committee for the re-election of Simon Enoch whose initial two-year term of office was due to expire on 30<sup>th</sup> November 2020. His considerable contribution to the governing body including his role as Chair of the Audit Committee was discussed and the Board unanimously endorsed the recommendation of the Search &amp; Governance Committee to re-elect Simon Enoch for a period of four years commencing on 1<sup>st</sup> December 2020. <i>Note: Simon Enoch withdrew from the meeting for this item</i></p>
<p><b>12.20</b></p>	<p><b>12.0 Meeting Evaluation</b></p>
	<p>The meeting evaluation was deferred to the end of the Strategic Review presentation which immediately followed the Corporation meeting.</p> <p>Following the Strategic Review the feedback from the participants was:</p> <ul style="list-style-type: none"> <li>• Good piece of work would be good to see cost ratios associated with a plan that gets us where we want to be. Can we find other ways of generating revenue through Estates?</li> <li>• Would be beneficial to have financial stats to support the proposition. We need to understand the market and what employers want so that we can match it to our proposition.</li> <li>• This was a positive presentation – we are on the right path. The key is to find out what the local needs are and work on producing the most cost-effective model.</li> <li>• Do we need to consider doing something quite radical with the Estates? It is a large estate and is it fit for purpose long-term? Would be good to see contribution by faculty for the past 4-5 years to see how it has changed. We also need to look at the different groups using the site and assess if there are any conflicts</li> <li>• There were some good points in the presentation and areas such as vocational degrees. Blended learning is the key and there is scope to link it to Open University. A business plan needs to be in place with associated costs including necessary resources. There is a lot of work to do but lots of exciting opportunities also.</li> <li>• Good presentation – going in the right direction. There are a lot of organisations out there who require additional land and a note of caution when reviewing the Estates strategy, once you have disposed of land you can't get it back.</li> <li>• Thanks for a great presentation – Can we look at what other colleges are doing whether well or badly. Whilst it is important to view through the prism of profitable business, we should be</li> </ul>

prepared to compromise and consider also a holistic approach which focuses on the college identity.

- Coming from a curriculum background, I am pleased that we are thinking about growth through the curriculum but recognise that innovation is important also. We need to be sure that we have exit strategies for high needs students too, progression must be right for them and won't necessarily be through the college. Is there an opportunity for Directors to play a bigger part in reaching out to employers to build relationships with local businesses to enable a more direct link to the curriculum?
- Good to see that we are a college that has a strategic plan we are driving forward. Agree that we need to be cautious about the permanent loss of assets. Agree that we do things well now and must make sure if we take on new initiatives that the quality is maintained. If the quality drops the students will start to drop out. It is good to know through market research where the skills gaps are however you can't necessarily get students to do the courses where there are skills gaps. Overall this is all positive and I am glad to be a part of this Corporation.
- We are working on updating the learning and IT strategies which will feed into the Estate strategy. Acknowledge the importance of providing financial projections but strategies need to be updated first. These are exciting times and we are working on all the right things. We are a great college that can do even better.
- The information strategies are in the process of being updated and all strategies will be costed as they are worked through. About students taking courses where there are skills gaps, this is where the LTA strategy becomes very important as it focuses on wider skills development. It's what we want students to leave with and is probably more important than vocational qualifications.
- We must ensure we are ready for what's coming – the big increase in ASTML students created some quality issues. We did what we needed to do and got through it but there were lessons to be learned.
- Very exciting to see the direction we are travelling in. Understand the need to take a holistic approach that doesn't just focus on profitability. Looking forward to all the HR challenges.
- This is an exciting time for the college. We must ensure that the business is underpinned by fair and transparent governance

processes where everyone understands their role and promotes equality and diversity.

Response from the Chair to the Principal: We have seen what we need to do to go from good to great. We need to prepare ourselves to be great. Vocational degrees are particularly important for getting people into employment. Alvin Toffler, an American futurist summed it up well when he said, '*The illiterate of the 21<sup>st</sup> Century will not be those who cannot read and write, but those cannot learn, unlearn and relearn*'.

Response from the Principal: Our focus should be quality, the right offer, working closely with employers not just working to make sure we have the curriculum they need but making sure our leavers have the necessary skills to then go and work with the employers. We are here to get people into the jobs they want to do linked to what employers need and that must be our driving force. Alongside quality there is also cost and that is closely linked to our IT strategy particularly around blended learning.

We can't be all things to all people, but we must have that community feel as well as some loss leaders as that is the right thing to do.

Agree there should be more involvement from Directors to link with and build employer relationships, and less focus on dealing with day to day operational issues.

Regarding our large estate I understand the frustrations, but we must remember it is green belt and we are limited in what we can do.

Vocational degrees are important and closely connected with the LEP who want to use the college as a case study to demonstrate how they can work with skills providers and employers to bring the two closer together.

I believe this is a great college and we need to continue to work to make it an amazing college.

Conclusion from the Chair: I think this is a good college that could be a great college and there are always things we can work on and improve.

Thanks to all for the presentation and the inputs from all the team who are doing an amazing job in very difficult conditions.

	<p>Whatever other challenges we face we need to plan where we want to be and link it to the financial implications.</p> <p>Looking at the presentation the organic growth is good, and I think we can build on that and be profitable but we also need to find ways to increase revenue.</p> <p>We need to be a college that looks after its people and looks to the wider community as that is what will make us great.</p> <p>We can set the wheels in motion now and have a further discussion at the December Board meeting. In the meantime, if anyone has questions, they can pass them on to the team.</p> <p>I do think there are capacity issues at all levels of the organisation, and we should address them bearing in mind Covid-19 will be with us for a while.</p>								
<b>13.20</b>	<b>13.0 Date and Time of Next Meeting: Thursday 10<sup>th</sup> December at 9.00am</b>								
<b>14.20</b>	<b>14.0 Meetings and Events</b>								
	<p>Meetings in November/December 2020</p> <table border="1"> <tr> <td>Finance &amp; General Purposes Committee</td> <td>Friday 27<sup>th</sup> November at 9.00am</td> </tr> <tr> <td>Audit Committee</td> <td>Friday 4<sup>th</sup> December at 9.00am</td> </tr> <tr> <td>Senior Staff Performance and Remuneration Committee</td> <td>Thursday 10<sup>th</sup> December at 8.00am</td> </tr> <tr> <td>FE. Corporation</td> <td>Thursday 10<sup>th</sup> December at 9.00am</td> </tr> </table>	Finance & General Purposes Committee	Friday 27 <sup>th</sup> November at 9.00am	Audit Committee	Friday 4 <sup>th</sup> December at 9.00am	Senior Staff Performance and Remuneration Committee	Thursday 10 <sup>th</sup> December at 8.00am	FE. Corporation	Thursday 10 <sup>th</sup> December at 9.00am
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<b>15.20</b>	<b>15.0 Any Other Business</b>								
	There being no other business the meeting concluded at 11.50am followed by the Strategic Review which concluded at 2.55pm.								

**Actions:**

1. Investigate alternatives for the FE awards evening
2. Additional information on the IoT second wave to be sent to the Governors
3. For the next meeting a pie chart categorising the types of issues that students had reported to the safeguarding team.

Signed



Date...10<sup>th</sup> December 2020...



**Professor Sam Luke, Chair of the Corporation**