Barnet and Southgate College Corporation
Board of Governors Meeting
16 July 2020

MINUTES

Time	18.30 – 21.20	
Venue	By videoconferencing	
Governors present (Quorum: 5)	Adam Goldstein Mervin Archer Nana Brew Fiona Bulmer Sheila Dawson Graham Duncan Imelda Galvin Darren Mepham Christalla Tsattala Ann Zinkin	Chair Vice Chair *To 8.30pm* Chief Executive Staff Governor
In attendance	Neil Coker Tracey MacIntosh Mark Sellis Melissa Drayson	Principal and Assistant CE (P/DCE) Exec Director Partnerships/Commercial Exec Director Corp Services (EDCS) Clerk to the Corporation
Apologies	Alessandra Almeida-Jones	

Items deemed confidential on the grounds of commercial sensitivity have been redacted

Item			**Action lead**
1.		**Preliminary Items** Consent was granted for the meeting to be recorded to assist with the minutes.	
	1.1	**Chair's welcome** The Chair welcomed all present to the last meeting of the academic year.	
	1.2	**Apologies for absence** As above.	
	1.3	**Confirmation of eligibility and declarations of interests** It was confirmed that all present were eligible to take part in the meeting, there were no new declarations of interests	
	1.4	**Notification of urgent items of other business** There had been no advance requests to raise any other business.	

2. **Minutes of previous meetings**

i. Meeting held on 18 June 2020

The minutes of the Board meeting on 14 May were **APPROVED** as a correct record. Confidential sections were confirmed.

ii. **Matters arising and outstanding actions**
Supporting paper by Melissa Drayson, Clerk

Completed actions, and those due for report on the agenda, were noted. An update was provided on the following:

<u>18 June Item 3, 14-16 developments.</u> Progress was being made with discussions with local Headteachers, but it was too early to bring a business case to the Board. The Board asked that further updates would be provided under Matters Arising in the meantime.

3. **Chief Executive's Report**
Supporting paper by Darren Mepham, CE

An update was provided under the main headings in the report. There was no further detail on the FE White Paper.

The Chancellor's budget statement contained some support packages might benefit FE. Further detail on these was awaited, including which sectors would be targeted and how funding would be provided. Initiatives included cash incentives for employers to take on apprenticeships; the Kickstart job creation fund and support for skills training, retraining and Traineeships. Capital funding had been brought forward. The funding mechanism was not yet known, but the Association of Colleges (AOC) was lobbying for it to be allocated to colleges, rather than be subject to a bidding process.

In response to governor questions, it was confirmed that the College did not currently run any Traineeships. The scheme had not had widespread success to date, but it was hoped that a relaunch with financial support would create new opportunities.

The update on local economic recovery initiatives was noted. The college was in discussion with the three partner local authorities, albeit with varying levels of engagement.

Following the Board strategy briefing on 2 July, governors had engaged with the online exercise by adding thoughts and comments on Padlet. The deadline for this exercise would now be extended to 27 July to provide more time for feedback. Next steps were outlined following the conclusion of the online exercise:

- ELT would consider governor feedback and develop proposals for a prioritised, sequenced and resourced SMART action plan;
- The draft action plan would be shared for further governor input in September.
- Presentational aspects would also be considered, including the communication of a summary version highlighting key themes for staff and other stakeholders.

Governors reflected that they had found the online 'Padlet' process to be positive and had stimulated some useful debate already. The question was raised of how areas of disagreement might be addressed. It was considered that such issues would be likely to be earmarked for further review, the timescale for which would be reflected in the action plan.

Governors cautioned against rushing to reach conclusions on areas which had been affected significantly by Covid-19, or which might be subject to a change in government policy in forthcoming months. A balance needed to be struck between allowing time for national policy to develop, and making clear and swift decisions about the future direction of the college.

AGREED: that the deadline for governor responses would be extended to Monday 27th July.

4. Principal's Report

Supporting paper by the Principal, Neil Coker

The report was taken as read, and questions invited.

i. Covid 19 Update/college re-opening

A college task group would be meeting the following week to prepare for college reopening in September, in line with government guidance. Governors asked whether there would be flexibility for students who were high risk and who might not wish to travel into college. At present, the intention was that on-site learning would be the default for as many students as possible. The importance of ensuring new students got off to the best possible start in September was recognised. There would, however, be flexibility for some curriculum areas to deliver teaching online. It was considered that this would work well for adult GCSE English and Maths.

Break times and the end of the day would need to be managed to ensure that students were not congregating in groups. Numbers would not, however, be capped at any of the campuses. Staggered start and finish times would be considered at a campus level, depending on the level of reliance on public transport.

Planning would incorporate the potential for a short-notice local lockdown, or departmental/ campus closure resulting from test and trace.

Governors asked about measures to integrate current Year 11s, who would have been out of school for several months. The Back on Track pledge was designed to inspire confidence that college would be a safe environment with a strong community; there would be a guarantee of a course and support would be provided to catch-up. The Pledge had been communicated widely through social media. Curriculum managers were closely involved in planning for return.

Governors sought confirmation that they would continue to receive risk assessments over the summer break. It was agreed that high level risk assessments would be shared. The Chair stressed the need for the Board to have oversight and assurance that risk assessments had been undertaken and all key factors had been fully considered. It was noted that a bespoke risk assessment was being developed for enrolment, in the absence of government guidance.

AGREED: that high level reopening risk assessments and assurance reports would be shared with governors over the summer break. CE

ii. Student Engagement Strategy 2020

The Student Union proposals, and approval of the SU Constitution, would be deferred to allow more time to firm up arrangements for the appointment of the President and student governor. Governors gave full support to the initiative to strengthening student engagement but sought more information about the rationale for proposing a paid SU President post. The need to ensure that both student governor vacancies were filled early in the new academic year was also stressed.

AGREED: that the Student Union Proposals would be brought back to the Board for approval in September.

iii. Self-assessment/Quality Improvement plan 2020-21

Governors noted activity since the self-assessment process was last reported in March. Curriculum level self-assessment had started, with Strategic College Improvement Fund (SCIF) resource diverted to provide support and challenge. The whole college SAR would be brought to the Board in September.

Governors reminded management of the need for governor input into self-assessment validation, before the final document was approved. The Quality of Teaching and Student Experience (QTSE) group would play a key role in this. There was discussion of how the board would gain assurance that quality improvement measures were working. The QIP would contain outcome driven improvements against which progress would be judged in terms of impact, not just the completion of the action. The QTSE Group and Board would both have a role in monitoring implementation of the QIP along with impact.

AGREED: that the QTSE Group meeting schedule should be checked against the self-assessment cycle to ensure alignment. MD/NC

5. Finance and Resources

i. Finance Scrutiny Group Report from 7 July 2020
FSG Minutes presented by Graham Duncan, FSG Chair

Key points discussed at FSG re the management accounts were:
- The year-end forecast out-turn was slightly better than predicted in May, but remained worse than the IFMC
- The financial health score confirmed in the letter from the ESFA would, on the basis of the figures, be repeated for both 2019-20 and 2020-21.

Key points from the FSG discussion on the budget were:
- Forecasts showed a stronger position at the end of the 3-year period, albeit still showing a deficit.
- The budget was based on business as usual with some measures to find savings/increase income. The plan did not, as yet, reflect any significant strategic changes. Further modelling to overlay the strategy on the financial plan would be undertaken once the strategic work was completed.
- It was crucial that the budget was delivered as the risk to cash of the worst case was too high.

ii. Management accounts (May, Period 10)
Presented by Mark Sellis, EDCS

In addition to the points covered by the Chair of FSG, it was noted that the management accounts included a provision for restructuring. This would be used, but with costs being recouped within 2020-21.

Governors questioned the apparent rise in aged debtors as this had been a focus of activity in the past two years. Management responded that credit control arrangements would be looked at as part of a planned review of the finance function.

iii. Budget and Financial Forecast
Presented by Mark Sellis, EDCS

Governors were reminded that the FE sector was operating in the context of a range of social and economic pressures, which created a low margin and limited scope for growth. It was critically important to take action to address the structural issues behind the deficit. Ideally, the financial position would be turned around within the three years, but it was important to show a realistic picture. Some elements of the strategy had been included; currently these focussed on discontinuing unprofitable business, rather than growth in successful areas.

[Redacted]

Governor raised questions on the following:

- The point was made about the importance of continued accuracy and compliance in financial management, as well as finding radical solutions, to protect against unnecessary losses.

- More information was sought on the effects of deficit planning on relationships with banks and funders. The college would continue to communicate regularly with the FE Commissioner and the ESFA and had been open about the financial position. It was acknowledged that, unfortunately, many colleges were in a worse financial position.

- More information was requested on the options for CETEC. A new arrangement had been agreed with London Met University to deliver a Masters degree, starting January 2021. Future viability of CETEC would be reviewed subject to recruitment to this course.

- The possibility was raised that more borrowing would be needed to offset the cashflow risk. This was not considered likely. Governors made the point that options for utilising assets to raise funds should be explored fully. It was considered that, due to the impact of Covid on the property market, now was not the time to consider selling. In the longer term, in the context of future curriculum needs, there might be potential to explore this, along with optimising the use of each campus.

- It was crucial that the quality of provision was safeguarded from future budget cuts. In order for this to happen, the budget needed to be realistic.

Management gave assurances that levels of budget holder ownership were high. Following the restructure, new heads of department would need to be familiarised with budgets that they had inherited.

Governors commented that the budget development process, and levels of board oversight and input, had been much stronger this year. The sensitivity analysis was a helpful tool which should also inform future budget monitoring.

In the light of the decision to include commercial income losses relating to withdrawal from Best Skills 4 U, more work would be undertaken to understand the level of exposure, including final figures, a timeline showing the impact on cash and Income and Expenditure during years 1, 2 and 3, along with any opportunities for growing provision to offset the risk.

AGREED: MS

(i) that a revised budget would be circulated by email the following week, with an explanatory note on the changes.

(ii) That approval of the Budget and Financial Forecast then be sought by written resolution

Imelda Galvin left the meeting at 8.30pm

iii. Financial Regulations

Supporting paper presented by Mark Sellis

The Financial Regulations were reviewed annually. Only minor housekeeping changes were reviewed, including a reflection of the current financial management structure and the delegation of some responsibilities to the Director of Finance. It was noted that further revisions might be needed in the autumn circulation to reflect changes to curriculum management. It was agreed that any questions from governors should be emailed after the meeting. Subject to there being only minor subsequent amendments, it was:

RESOLVED: That the Financial Regulations 2020 be APPROVED.

iv Subcontracting declaration and Supply Chain Fees policy 2020-21

Supporting paper presented by Tracey McIntosh

Governors considered the current value of subcontracting. This only related to adult provision and had reduced significantly in recent years. Subcontracting partners were local, achieved high outcomes, and management fees were within acceptable ESFA limits. All subcontracting decisions were made from the point of view of learner need. There was currently no intention to set up new subcontracting arrangements.

The associated Policy documented who subcontracting management fees were spent.

RESOLVED:

(i) **That the Subcontracting declaration for 2020-21 be APPROVED**

(ii) **That the Supply Chain Fees Policy be APPROVED for publication on the college website.**

v. ESFA Financial Health letter

The ESFA financial health letter was noted as a standard communication that went to all colleges. A further letter was expected which would cover any further requirements from the ESFA.

6. Committee Reports

Audit Committee Report and Recommendations (20.55)
Audit Committee Minutes presented by Sheila Dawson, AC Chair

Key points from the minutes were:

- The final Internal Audit Plan for 2020-21 had yet to be agreed, but would come back to the Committee in September. Consent to proceed with the Follow Up audit had, however, been sought.
- The External Audit plan had highlighted risks around the new finance system and the legal requirement to take specialist advice on renegotiation of bank loan. The auditors had also advised to take advice relating to the intercompany loan with MBC Ltd. Management confirmed that this was being sought from MHA McIntyre tax department.
- The Committee had stressed that an early draft of the Annual Report and Statement of Corporate Governance and Internal Control should come to the Audit Committee and Board in September/October.
- [redacted]

RESOLVED: That the Financial Statements and Regularity Audit Plan for the year end 31 July 2020.

7. Governance and Policy

Supporting papers presented by Adam Goldstein, Chair, and the Clerk.

7.1 Committee membership 2020-21

The proposed committee membership and chairing arrangements were the result of individual conversations with governors. Fiona Bulmer was thanked for her work as safeguarding link governor. This was acknowledged as a vital role on the Board, and expressions of interest in taking over from Fiona were sought. Fiona kindly agreed to remain in the role until a successor was agreed.

RESOLVED: That the proposed committee membership and Chairing arrangements be approved

AGREED: That expressions of interest in the safeguarding governor role be made to the Clerk by email. MD

7.2 Meetings schedule 2020-21

A move to Option B was proposed. Key features of this included a regularisation of the meetings schedule, and an increased function of the finance and quality task and finish groups meeting. This would permit fewer full board meetings, and also increase individual governor capacity for more informal engagement in college life. The right flows of information and reporting should ensure that nothing was lost in terms of oversight and should free up time at Board meetings for strategic discussion.

Governors expressed reservations that too much reliance on committees would result in individual governors being less informed on issues where they had less oversight. The risk of duplication of business was also raised and this would require a new level of agenda discipline. Both these factors were behind the reason to move to a policy governance model in 2013, although it was accepted that the challenges for the FE Sector and college had changed and intensified since then. The corollary was, however, that detailed challenge and scrutiny was not possible if governors were trying to do everything at Board meetings.

AGREED:

- **(i) To proceed with Option B and review progress at the January Development Day**
- **(ii) Governors to inform the Clerk of any issues with availability on the proposed dates** Govs/ MD
- **(iii) The Clerk to liaise with Committee/TFG Chairs on the business schedules for each meeting** MD

7.3 Governor recruitment plan

The Chair would be liaising with the Chair and members of the Search Committee to progress new governor recruitment.

8. Other urgent business

The Principal gave confidential progress report on the restructuring process to date.

9. Dates of forthcoming meetings

To be confirmed

The Chair thanked colleagues for their support and hard work during an unprecedented year, and wished everybody a relaxing summer break.

The meeting closed at 21.22

Signed: ……………………………………………………………………………..(Chair)