Board of Governors Meeting

16 December 2021
18.00-20.45
Remote by Microsoft teams

Governors present	Adam Goldstein	Chair
	Alessandra Almeida-Jones	
	Sheila Dawson	
	Imelda Galvin	Vice Chair
	Jenny Jarvis	
	Darren Mepham	Chief Executive
	Sakina Quettawala	Student Governor
	Cait O'Riordan	
	Hannah Sheath	
	Mark Sweeny	
	Vacancy	Staff Governor
	Nana Brew	
	Biza Mebrak	Student Governor
In attendance	Neil Coker	Principal and Assistant CE P/DCE)
	Tracey MacIntosh	Exec Director Commercial (EDC)
	Mark Sellis	Exec Director Corp Services (EDCS)
	Lorna Lloyd-Williams	Head of Governance & Corporate Affairs

Italics denotes absence **MINUTES**

Item	The meeting opened at 18.03 and was quorate with at least 6 Board members being present.
1.	**CHAIR'S WELCOME**
2.	**APOLOGIES FOR ABSENCE** Apologies were received and accepted from Jenny Jarvis, Alessandra Almeida-Jones, Nana Brew and Sakina Quettawala. The Board were advised that Biza Mebrak had been appointed as student governor following Ezgi's resignation and the Chair welcomed Biza to her first meeting. The Chair advised that it was very important that the Board can see the woods through the trees and there needed to be a balance between strategic and assurance matters brought to the Board. The Chair advised that it was important that key points are brought out in papers so Governors can focus on them.
3.	**REQUESTS FOR URGENT BUSINESS** The Head of Governance advised the Board that the written resolution to appoint two staff governors had been passed and advised that she would now need to raise

	the issue of the Board determination. It was agreed that this would be dealt with later in the agenda.
4.	**MINUTES OF THE MEETING HELD ON THE 21ST OCTOBER 2021** The minutes of the meeting held on the 21st October 2021 were approved as a true and correct record of the meeting subject to some minor amendments. Governors asked about the resources for the safeguarding team and received assurance that the safeguarding team was adequately resourced.
5.	**MATTERS ARISING** The Head of Governance advised that she would take the Board through those action which were marked either as verbal or with no comment and advised as follows: From the October Board meeting: 1. Item 3- consideration needs to be given as to how risks are dealt with in the committee structure and referred across to audit. The Head of Governance suggested that an agenda item be included for other committees asking whether any items needed to be referred to audit committee. . 2. Item 5 Principal to bring back to next Board meeting a revised complaints and compliments report with analysis requested and recommendations and narrative. The Head of Governance advised that she had discussed the matter with the CEO and explained that it was difficult to retrospectively analyse but advised that she and the CEO had looked at the data and did not believe there was an issue of discrimination but that with some courses there will be a large number of BAME students on them and if then there are problems with that particular course, then this will eschew the numbers. The Board were advised that going forward the executive office who oversee the complaints process will be meeting monthly to consider if there are any recurring themes which need to be brought to the attention of ELT for action 3. Item 5 Executive Director Commercial to provide an update to on how apprentices are performing- the Head of Governance advised that it would be appropriate for this to be considered by the quality committee. 4. Item 7- College's performance and appraisal framework and reporting on this to Board to be further considered and discussed by Head of Governance, Chair of Governing Board & CEO. – the Head of Governance advised this was part of an ongoing discussion regarding college culture and not appropriate to report on at this time.
6	**CORPORATE RISK REGISTER** The Board had been provided with the corporate risk register for information

	purposes. The Board noted the key change which was identification of a 12th Corporate Risk in respect of Industrial Relations Governors asked about the score in relation to financial sustainability and suggested that in terms of mitigated risk it should be changed from green to amber. The EDCS explained the differentials between the different financial risks and the EDCS confirmed that he would clarify further going forward with the risk register. Governors also asked that it be noted regarding the timeliness of management accounts and that the college was not where it should be. **Action: EDCS** Governors commented on the fraud risk and advised that they felt the fraud action plan should be included as a control. The EDCS confirmed these further sources of assurance would be added. **Action: EDCS** Governors queried the risk register specifically the risks regarding financial sustainability and questioned whether these should now be red considering recent developments regarding the colleges financial position. The EDCS confirmed he would further review the risk register. **Action: EDCS** [redacted] Governors asked about the ICT estate and requested to see a report on the state of the ICT estate, what risks the college has and how it is being mitigated. There was discussion regarding whether the finance committee remit should be widened to cover such matters but in view of the need for a slightly larger board it was agreed that at this time that Governors with time and expertise would assist on specific areas. It was agreed that Cait O'Riordan would look at this area on her own. **Action: EDCS**
7	**CEO REPORT** The Board considered the CEOs report which was a briefing paper for information intended to foreshadow discussions to take place at the development day in January. The report highlighted some of the medium and long-term strategic considerations for the college and their interdependency. Governors were asked for

	feedback and advised they would like to see; • Some of the contextual data for some of the assertions in the paper. • The rationale for some of the assertions. Governors questioned some of the areas of growth commenting that motor vehicle and motor sports had been tried in the past with limited success. • Employer and partnership piece-need to have more visibility, a section on opportunities for the college and where we might be in 5 years' time in terms of skills delivery. ELT were asked to be clear as to what they want to get from Governors on the Board Development Day. Governors also asked about T levels and were informed that the college had been approved to run T levels in two areas from 2023.
8	**ESTATES** <u>Outline Estates strategy</u> Governors commented that it might be helpful to explore estates opportunities outside of college ownership and suggested perhaps being more creative and proactive. Governors directed that they would want the college to look at the estates strategy in the broadest sense. They also asked about the engagement with the council regarding Southgate and what the timeline for this was and how the college was engaging. The EDCS gave further particulars to the Board. Governors also questioned what the next steps would be for the strategy. The EDCS explained that the estates strategy would need to be fundable i.e., matched funding and that the outline strategy would now dovetail into the Board Development Day and that it would need to be driven by the wider college strategy. It was **Resolved** to approve the outline estates strategy with it being noted that this was a work in progress. The Board also noted that a fuller strategy was to be developed by July 2022 which would set the college's estates direction for the medium and longer term in conjunction with the development of a linked Sustainability/Carbon Neutral strategy. The Board discussed the possibility of establishing an estates working group and it was agreed this would be left open for further discussion at the Board development day in January. <u>Report on cladding</u> The Board had received a report that updated members of the work that had taken place on the external façade of the buildings following concerns raised by the College's insurers. The report was noted by the Board.

9	**QUALITY AND THE STUDENT EXPERIENCE** ***Committee minutes enclosed for information*** <u>SAR & QIP on recommendation of the Quality committee</u> Governors asked whether the college was happy with safeguarding and asked whether the staff survey would be picked up in the QIP. The Principal advised that in respect of safeguarding there was an area for improvement in the QIP in terms of consistency of approach across the college. He also confirmed that comments made regarding mental health in the quality committee had been picked up Governors commented on the leadership and management section of the SAR and that it was important for the Board to understand this. Feeding back from the quality committee, Governors advised they wanted the SAR to be ambitious and asked about the QIP and whether this was a completed QIP. The Principal confirmed that it was a completed document and advised that the QIP would be put onto a planner which was an online method for reporting on actions. Governors also asked about Ofsted and whether feedback was being obtained from other colleges who had been recently inspected. The Principal confirmed that he was obtaining feedback and gave particulars. The Board were also advised that members of SLT had seen webinars from various colleges in preparation for inspection. Governors questioned what steps were being taken to mitigate any areas of concern and were provided with further particulars. The Principal was thanked for his work in compiling the SAR. It was **Resolved** to approve the College SAR and the QIP. Governors asked that the executive summaries for reports going forward be clearer and more succinct, providing key points and directing Governors. **Action: ELT** The Board also considered the methodology by which they wish to receive in-year assurances. It was noted that a special meeting of the quality committee was to take place in January to consider the QIP further. It was suggested that the reporting to the committee was through a rag rated system and then there could be a further report back to Board if strategic discussion was required. <u>OfS regulatory report</u> The Board noted the report which confirmed compliance with the Ofs ongoing conditions of registration for the college. The Principal was asked if there were any changes and he advised there were not. The Board were advised that the SED would come to Board for noting after having been scrutinised by the quality committee first. The Head of Governance confirmed that going forward this report would go to quality committee.

	<u>Quality committee report from meeting of 25th November</u> Cait O-Riordan advised that all matters had been covered within the Board agenda. <u>Student Governor feedback on student survey (postponed from October Board)</u> It was not possible to take this item as Student governors had been unable to attend the meeting for this part of the agenda.
10	**FINANCE & AUDIT** <u>Regularity & propriety questionnaire</u> On the recommendation of the audit committee, it was **Resolved** to approve the regularity and propriety questionnaire for signature by the Accounting Officer and Chair of the Governing Board upon behalf of the college. <u>Annual report of the audit committee and appendices</u> The Board considered the annual report of the audit committee and noted it and the appendices. The committee chair advised that the solvency of the college was a key issue and whilst the college is solvent, the financial position of the college continues to be challenging. Governors commented that the long-term position of the college was dependent upon there being a strong financial plan. The chair of the finance committee stressed the urgency of the need for a financial plan and whilst Governors acknowledged there was a short-term plan, the Board were advised that the finance committee had not yet seen the urgency in addressing the deficit that would arise from a shortfall in enrolment this academic year equating to a shortfall of £1.5 million. Governors asked what the plan for the deficit was. The EDCS explained that there were two issues, whether the college was a going concern for the purposes of signing the financial statements and the impending deficit caused by a shortfall in enrolment. The Board were advised that the technical definition of going concern for the purposes of the financial statements was that the College has sufficient resources for the next 12 months to meet its financial obligations and the EDCS gave the Board assurance in this regard. The EDCS also outlined the steps that were being taken to put together a plan to deal with the £1.5 million deficit. The Board noted that ELT were discussing this the following week and would be bringing the outline of a plan to the Board Development Day in January. The CEO also advised the Board of conversations that had taken place with the ESFA and the FE Commissioner and that external help had been requested from the latter. He explained that he would be exploring further support with the FE Commissioner in

	early January. The Board questioned whether management were being radical enough and the CEO explained that some of the more radical options that could be taken would only yield results after the deficit had already taken place. The Board were advised there would be further discussion around these matters at the Board Development Day. Governors asked if the financial plan would be seen by the finance committee before the Board Development Day in January and the Head of Governance confirmed this was already on the agenda for the 20th January meeting. Following discussion, Governors were satisfied as a Board that the college was a going concern. Governors also asked whether the Board should be concerned that it was the second year of the college having received a limited assurance opinion from the internal auditors. The chair of the Audit committee advised the committee had been disappointed by this but explained that there were different reasons for the limited assurance opinion this time. The Board were advised of the areas of concern that had led to the limited assurance opinion and that the issue of compliance across the college had arisen in the discussion at the committee. The Board were advised that the audit committee had made it clear they do not expect to see a limited assurance opinion for a third year and ELT had been charged with putting in place a plan to avoid this. The ECDS referred the Board to the action plan contained within the risk management strategy and advised a risk management committee had been set up. The chair of the audit committee raised the learner number systems and highlighted that the external auditors had commented on this as the colleges controls had not been adequate over the course of the last year. External auditors had impressed upon the chair that the need to improve the control systems was crucial and that audit committee needed to know exactly what procedures were being put in place to ensure this is addressed. **Action: ECDS for audit committee.** On the recommendation of the Audit committee, it was **Resolved** to approve the terms of reference for the Audit committee and risk management annual report. The Board noted that there had been progress on the risk management. Audit findings report The Board noted the audit findings report which had been presented by the financial statement auditors at the extraordinary Board meeting on the 2nd December. Financial statements and letters of representation The ECDS advised the Board of the position regarding the GLA reconciliation and

	advised that the accounts should be provisionally approved by the Board subject to this. The EDCS advised that the amended financial statements would be sent to the Board by email prior to signature and informed the Board that signatures could be applied electronically. Governors questioned why the GLA reconciliation had not been discussed in the "what if" scenarios with auditors and expressed some frustration at the situation. After discussion it was **Resolved** to provisionally approve the financial statements and letters of representation subject to the amended financial statements being sent to the Board for final approval. Accounting estimates It was noted that the accounting estimates which had been used in the preparation of the financial statements had been sent in advance of the meeting and that this was a new requirement that Governors were requested to review the justifications made by management and challenge the basis where appropriate. Following discussion it was **Resolved** to approve the decisions made in the accounting estimates paper.
11	**FINANCE** ***Committee minutes enclosed for information*** Finance committee report from meeting of 2nd December The chair of the finance committee provided a verbal report to the Board on the meeting of the 2nd December. The following was highlighted: 1 The message from the ESFA visit was that the ESFA will have a supportive and collaborative approach. 2. Letter from the ESFA confirmed the colleges financial health score rating to be requires improvement. 3. P3 management accounts show the college to be £300K behind budget at this point. This would mean the colleges financial health score remains at RI. 4. There was a discussion about timeliness of management accounts. [redacted] 6. Bank covenants- the committee was frustrated that these had been renegotiated and now have the possibility that the bank covenants will be breached. The committee had advised the executive that they do not want the colleges financial strategy to be based on the bank covenants and asked the executive to have strategic conversations with the bank about this. 7. The discussion about the shortfall in student enrolment numbers and that there was no scenario planning for this. Need to ensure scenario planning for a shortfall in student enrolment is included in the next budget that comes to the Board.

	ACTION: EDCS The Chair asked that going forward a high-level picture of the current financial position be given at each of the Board meetings and suggested a couple of slides or a word document that informed the Board of the Colleges current headline financial position. **ACTION: EDCS** The chair of the finance committee advised that she would be happy for the presentation to be run by her first. In relation to the medium-term financial plan, Governors asked to see the answers to address the what if questions- what if we breach a covenant, don't make up the deficit etc- some thinking about if the plan doesn't work. **ACTION: EDCS** .
12	**AUDIT AND RISK** ***Committee minutes enclosed for information*** Audit and risk committee report from meeting of 2nd December The committee chair gave a verbal report to the Board regarding the meeting on the 2nd December. The following was highlighted 1. Two policies are under review, the whistleblowing policy and gifts and hospitality policy. The Board were advised that in order to avoid delay propose to review the policies by email and agree by written resolution and the refer to the Board for approval by written resolution. 2. External auditors' contract is in the third year and the college should either retender now or it could extend the contract for a further two years. The Board were advised that the committee had discussed the pros and cons of this and these were outlined to the Board. The Board were also advised that recent evidence from other colleges was that costs for re-tendered services were increasing significantly and the current auditors had confirmed that under the existing contract, costs will increase by RPI, subject to no change in scope. It was noted that although the current auditors MHA had audited the college's financial statements for 8 years, the staff involved had changed during that time. It was **Resolved** to extend the contract of the current financial statement auditors for two years. The Board noted that there would have to be retendering after two years. Furlough funding paper

	The Board noted the paper which had been provided in response to an external audit recommendation that the College should confirm its arrangements under Covid-related financial relief schemes. **8.50pm the EDCS left the meeting**
13	**GOVERNANCE** <u>Schedule of Board business</u> The Board noted the schedule of board business. <u>Estates working group</u> It was agreed this item would be deferred to the Board development day in January
14	**POLICIES FOR APPROVAL** <u>Data Protection Policy</u> The Board noted the changes to the policy and whilst they were happy to approve the policy questioned who was undertaking the Data Protection Officer (DPO) role as this was an onerous and labour-intensive role. Governors advised they would look at the information from the Information Commissioners Office on the role of the DPO and asked ELT to consider this and report back to the Board. **Action: ELT** Subject to this it was **Resolved** to approve the data protection policy <u>Run Hide & Tell policy</u> The Board noted the changes to the policy and asked when there had been a dry run and asked when the next dry run would be and were advised January. Governors also commented that the policy should reflect when and how often the dry runs should take place. Governors asked that a verbal update be provided to the next meeting of the audit committee as to how the run through goes It was **Resolved** to approve the run, hide and tell policy
15	**BOARD DEVELOPMENT DAY DRAFT AGENDA** The Board considered the draft development day board agenda.

16	**Other urgent business** The Head of Governance advised that with the written resolution having been passed to appoint two staff governors it was now necessary to increase the determination for the board to 16. The Board were advised that a Board of this size and up to 20 was not unusual for the FE sector. It was **Resolved** to increase the Board determination to 16.
17	**Date of next meeting** **27th January – Board development day**
	The meeting closed at 21.04