

**FURTHER EDUCATION CORPORATION MEETINGS 2020/21**

**MINUTES OF THE FURTHER EDUCATION CORPORATION MEETING**

**Held at 4pm on Monday 18 January 2021**

**Via MS Teams**

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| **Members present:** | Stephen Barnes (Chair), Phil Wilkinson (Vice Chair), Amanda Melton CBE (Principal), Mike Phelan, Jane Cleaver, Stephanie Bridgeman, Tom Gee, David Whatley, Julie Turner, Liz Sedgley, Will Cook, Zulfi Khan, Rob Pheasey and Emma Schofield |
| **In attendance:** | David Rothwell (Deputy Principal – Finance and Resources)  Tracey Baron (Deputy Principal – Quality and Curriculum)  Andrew Dewhurst (Chief Information Officer)  Alison Rushton (Vice Principal – Adult Learning and Apprenticeships)  Andy Parkin (Assistant Principal – Lancashire Adult Learning)  Fionnuala Swann (Assistant Principal – Academic Curriculum)  Morag Davis (Assistant Principal – Vocational Curriculum)  Claire Jarvis (Assistant Principal – Finance and HR)  Debbie Corcoran (Director of Governance) |

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| **Item 1.** | **1.1 Welcome and apologies for absence**  Stephen Barnes (Chair) welcomed everyone to the meeting, and introductions were made. Apologies for absence were received and accepted from Nadeem Rashid, Neil Hart, Usman Muhammed and Tim Webber MBE.  **1.2** **Declarations of Interest**  The Director of Governance noted the conflict of interest in relation to agenda item 4.2 which related to membership and confirmed that the two members whose terms of office was being considered would leave the meeting for this item.  Other than this, members and officers present declared they had no interests, personal, fiduciary, or otherwise in any item on the open agenda for the meeting.  **1.3** **Minutes of the Previous Meeting (14 December 2020)**  *Submitted: ‘Minutes of the Board of Corporation Meeting held on 14th December 2020 – public and part 2 confidential’ (circulated in Board papers)*  The Minutes of the public and part 2 Board of Corporation Meeting held on the 14th December 2020 were reviewed and agreed as an accurate record, for the signature of the Chair.  **1.4 Matters Arising**  *Submitted: Report (circulated in meeting papers)*  The matters arising log was reviewed, and the current position noted.  **Resolved:** **to receive and note the updated Matters Arising log** |
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| **Item 2.** | **STRATEGIC DISCUSSIONS** |
| **2.1** | **Strategic Discussion: Shaping our Curriculum Offer** |
| *Submitted: Presentation (circulated in meeting papers)*  Amanda Melton CBE, introduced the item, which related to the Group’s current curriculum offer and future opportunities for its development. The Principal explained that the 4 strategic discussion items in today’s meeting are closely related, and there was opportunity for discussion within each item, and time allowed at the end also. The ‘Shaping our Curriculum Offer’ presentation was discussed – and set out the Group’s position in relation to overall learner numbers for 2019-20 and the 2020-21 year-to-date, broken down by 16-18, adults and apprenticeships. The emerging FE landscape was considered and reviewed, including the likely priorities, implications and opportunities of the soon to be published FE White Paper – and it was agreed that the White Paper will be shared with the Board as soon as it is available, with any supporting briefings that are helpful.  The Principal recapped on the internal curriculum planning process followed by the Group, and how the process considers and reflects key factors such as local needs and national developments and priorities. The Board has a critical contribution and oversight role in relation to the College’s strategic direction and educational character. It was noted and welcomed that strategic discussion items in Board meetings are often focused on key areas of the Group’s curriculum offer and give a key opportunity for Board input, review and assurance throughout the year.  **Resolved:** **to receive and note the strategic discussion item on ‘Shaping our curriculum offer’** |
| **2.2** | **Marketing and Recruitment** |
| *Submitted: Report and presentation (circulated in meeting papers)*  Alison Rushton (Vice Principal – Adult Learning and Apprenticeships) presented this strategic discussion item, which included a report and supporting presentation delivered in the meeting. The Chair welcomed and thanked the Vice Principal for his additional briefing on marketing and recruitment provided ahead of the meeting. The Vice Principal’s report updated on applications for Apprenticeships and at both the Nelson and Accrington campuses, and included 2019/20 out-turn, and the targets and projected out-turn for the current year. School application data was shared and considered, with trends set out by campus and area, along with demographic information showing potential markets. 16-18 marketing and school liaison activity was explained and reviewed, with key priorities, challenges and opportunities considered in discussions with the Board.  Liz Sedgley joined the meeting.  The Board noted that in relation to 16-18s there is a 5% increase in applications overall year on year. A level applications have declined in 2020/21, whereas there is an increase in applications to level 3 vocational programmes at Accrington and also significant growth of 200% in apprenticeships. In relation to market share and the Nelson campus, there is a 5% decline in recruitment of 16-18s from Pendle since 2018 and static market share in Burnley – against a significant growth in the cohort in these local areas. In relation to Accrington campus specifically, 16-18 applications have increased by 70%, and market share also. The Board discussed the range of provision available by sector and qualification level, and welcomed the growth in level 3 and progression opportunities being accessed at Accrington.  Discussions with the Board considered opportunities and strategies in place to ensure that the reduction in market share in Pendle and reduction in recruitment of A levels is addressed, given this is Nelson campuses local community and an area of continued excellence. The Board noted that this year the Group’s 16-18 enrolment had been delivered virtually and online due to Covid-19, whereas other Colleges in the vicinity had continued with face-to-face enrolment, and asked if this had perhaps impacted negatively on recruitment this year. The Principal confirmed that Lancashire County Council’s Director of Public Health had advised that enrolment should not be face-to- due to Covid-19, so this was the approach that had been followed, and gave assurance of the additional activity introduced to attract and retain applicants. Board asked for and received assurance on how the Group monitors the competitive position of other Colleges in the local area, and gathers and learns from feedback from students who visited our campuses but selected a different College to ours.  On A levels, the Vice Principal shared intelligence that many schools were behind on their supporting applications due to needing to prioritise moving to live teaching due to Covid-19. The relationships between the School Liaison teams were recognised as being strong and it is positive that 2 schools have agreed 1-2-1 sessions for their pupils with the College, where they have yet to decide on their next steps after year 11.  The Vice Principal updated and gave assurance to the Board on the offer in place and partnership working being delivered with Pupil Referral Units (PRUs). The Board recognised the impressive work of the School Liaison Team and welcomed that activities which had needed to be postponed due to Covid-19 would be picked up again.  **Resolved:** **to receive and note the strategic discussion item on ‘Marketing and Recruitment’** |
| **2.3** | **Strategy for Accrington Campus** |
| *Submitted: Report and presentation (circulated in meeting papers)*  Alison Rushton (Vice Principal – Adult Learning and Apprenticeships) presented this strategic discussion item, which included a report and supporting presentation delivered in the meeting. The item aimed to set out and assure the Board on the strategic approach and investment plans in relation to the Accrington and Rossendale College campus since merger, and how the Group is ensuring we achieve the Board and Group’s ambition that the campus be the obvious choice for all, particularly in relation to professional and technical education.  The story so far was recapped, including development of the Group’s culture and values, curriculum improvement and standardisation, development of a new and shared curriculum intent, improved learner services entitlement, establishment of the Group brand, the extensive and continued campus redevelopment and also a campus re-brand.  The item included sharing a market assessment completed pre-merger, plus a review of stakeholder perceptions of the Accrington site. The Board noted and welcomed that both of these pieces of external work are being refreshed, to set out distance travelled and the competitive position and opportunities moving forward. The draft Brand Book was shared with the Board for views and to give assurance, and it was confirmed that brand research will also be completed at the end of the 2020/21 academic year. The updated market assessment, stakeholder perceptions survey and brand research will underpin and support a strategic review of the Group’s approach and Accrington’s positioning, and the framework for moving forward. The 6 key themes in the forward approach were set out and reviewed by the Board, covering the offer, stakeholder engagement, marketing strategy, travel strategy, learner experience and campus investment.  The Board recognised that targets and milestones will be agreed in the marketing and recruitment strategy being developed for the Group, and it was agreed that the Board will receive assurance in-year on their achievement (noting that the existing KPI dashboard already includes updates on volumes of starts and learners in-year).  The Board noted that the curriculum mapping for Accrington continues and includes robust partner and provider collaboration. 5 key sectors have been identified by the LEP as areas of growth potential or need, and the curriculum at Accrington is likely to focus on digital, health and social care, education and childcare, construction and automotive and professional services. Unique employer partnerships are being established to enhance the curriculum and create opportunities for learners, which includes consideration of sponsorship of facilities and equipment. Board members offered to support development of further or new strategic partnerships and collaborations in these areas, and it was agreed that Alison Rushton and Liz Sedgley will explore potential commercial opportunities for sponsorship to support developments and delivery in the digital arena.  During this item, Board discussion included consideration of how to develop and clarify the shared vision for the College and Group in 3 years-time, so that the Group continues to achieve continued financial stability and can support ongoing investment where needed. The Board recognised the existing framework set out in the Group’s Strategic Plan, financial plans and Restructuring Facility (RF) grant agreement. The Board considered the process, calculations and consideration of curriculum areas efficiency within this context. David Rothwell (Deputy Principal - Finance and Resources) explained the approach being taken, and that further assurance will be given at the February Board on curriculum efficiency. It was agreed that the summary funding slide being produced for Board will include past year and current year allocations and funding, and future income expectations or targets set out in Financial Plans and Restructuring facility (RF) – with information on curriculum cost contribution analysis also confirmed after the mid-year review in February.  The Board expressed its interest in exploring strategies to support growth in the Group’s forward strategy and to be both collaborative and competitive. It was recognised that organic and incremental growth was not the only option, particularly in areas such as apprenticeships, and there may be opportunities to grow HE and commercial provision also. Opportunity costs and risks would need to be clear and considered, with the shared position of the Board being that quality is key and must be preserved.  In relation to HE, there was discussion on the competitive positioning of the Group’s offer compared to that of other Colleges and Universities locally. The Board recognised that developing and accrediting new HE provision takes time, and were updated on new HE courses about to launch. It was agreed that the Board will receive web links to the Group’s adult course guide and undergraduate and higher technical prospectus. Discussion considered possible opportunities for HE growth given Covid-19 affecting people’s willingness to travel away from home, and the marketisation of the HE offer. 16-18 growth was recognised as being a critical priority from a policy perspective, as well as consideration of local need and also financial contribution.  **Resolved: to receive and note the strategic discussion item on ‘Strategy for Accrington Campus’** |
| **2.4** | **Strategy for Adults** |
| *Submitted: Presentation (circulated in meeting papers)*  Andy Parkin Andy Parkin (Assistant Principal – Lancashire Adult Learning) presented this strategic discussion item on the Group’s proposed adult strategy. The presentation and discussions with the Board covered:   * Current position in relation to the adult offer – covering the offer delivered by Lancashire Adult Learning (LAL) plus adult training and professional programmes, apprenticeships and also HE (access to HE, HE and higher technical qualifications) * Government policy, and its influence on the Group’s offer and approach, as well as regional and local influences and priorities * 4 inter-related goals for the adult offer were proposed – namely, improving productivity, improving social mobility, improving wellbeing and improving social integration - as well as Covid-19 response and recovery * The adult offers strategic purpose was set out as preparing learners for life and work, retraining and upskilling, offering professional and career development, levelling up (social justice), and also social and civic regeneration * Mapping of the adult curriculum offer/learner journey was explained, and an example shared with the Board for the health and social care curriculum adult offer. The example demonstrated the movement across funding streams and progression routeways available (including both non-accredited provision and an offer that progresses through to degree level) and the contribution of key partners and employers such as the NHS, LCC, Pendleside Hospice, the Care Quality Commission and Department for Work and Pensions   The Assistant Principal confirmed that additional capacity had been added to support curriculum innovation and partnerships in the adult arena, with examples shared such as Kickstart and Hub at Home. The Board were also interested in information, advice and guidance available to adults and asked how this has changed due to Covid-19. The Assistant Principal assured on the approach and use of new systems such as Openchat and additional learner support introduced.  The Group’s developing digital offer was discussed, with the Assistant Principal confirming that this is the next curriculum area being mapped. It was explained that there are gaps in this sector area compared to the health and social care offer set out in the presentation, with new curriculum continuing to be developed – for example HNCs and HNDs will be made available in digital, plus new hardware courses introduced and provision at level 3, with new staff being recruited to support.  The Group’s appetite and ability to deliver the Access to HE diploma online was considered. Tracey Baron (Deputy Principal – Curriculum and Quality) explained that the Group had considered making this online qualification available but had not moved into this market, reflecting that this area of provision had been an area for improvement previously and that it also attracts in the majority of cases adult returners who require extensive support, making online delivery not the ideal.  The Chair facilitated a summary discussion bringing together considerations from all 4 strategic discussion items. The Board were assured on the approach planned for marketing and recruitment, Accrington campus and the Adult Strategy and their views and feedback in the meeting will shape developments moving forward. It was recognised and agreed that the Group’s Awayday planned for April will progress and include Board consideration of key strategic questions reviewed at today’s Board meeting relating to the future approach to the delivery of apprenticeships and higher education, and financial modelling to support the Group’s continued sustainability and ability to invest and reward staff.  **Resolved: to receive and approve the proposed marketing and recruitment strategy, strategy for Accrington campus and adult strategy – with feedback from today’s meeting to be considered in forward developments, and further consideration as needed at the Board’s April Awayday** |
| **Item 3.** | **Principals Report – including Key Performance Indicators (KPIs)**  *Submitted: Report (circulated in meeting papers)* |
| The Principal presented the report, which included the key performance indicator (KPI) dashboard. The report included an update on the Group’s approach to implement the Government’s decision for schools and Colleges to move to online learning where possible from 4th January – as well as the approach to examinations nationally and in the Group, and also plans to implement mass testing capability in College with support from the Army. The Principal took the opportunity to thank Leyanne Fitzmaurice (Director of Learner Services) and Rachel Cox (Careers and Personal Development Manager) for leading the approach to mass testing for the Group, and updated on planned roll-out at the Nelson and Accrington sites.  The Principal and leadership team were thanked by the Board for their work to refine the KPI format. It was agreed that the Chair and Vice Chair will review and offer feedback for consideration in the KPI dashboard’s refinement for the February Board meeting. Board asked in the meeting for an update on KPI 1.2 on lesson profiles, which has a target of 92% being good or better in 2020/21 and current performance of 78%. Tracey Baron (Deputy Principal – Curriculum and Quality) explained that this KPI performance is likely to improve in-year, and assured that the first lessons observed were those judged to be at highest risk. Lesson observations had been paused due to Covid-19, however there are plans for them to be re-introduced for on-line lessons, with consultation with the JCCG and Unions in train. The Deputy Principal expected the number of lesson observations achieving good or better to improve, however the lag in observations may mean that the target is not met by year-end.  The Board recognised that several KPIs under the strategic aim 3 relating to financial security remain red and continue to be of significant concern. Leadership team assured on their continuing to progress actions to mitigate, many of which had been explained and reviewed in today’s strategic discussion items and supporting reports. It was noted that KPI target 3.19 relating to staff costs as a % of income has a 2020/21 target of 71% which is above the benchmark of circa 65% suggested by the FE Commissioner for Colleges. David Rothwell (Deputy Principal – Finance and Resources) explained the rationale for this, and that the 70% cap has been in place historically in the College and is commensurate with outstanding financial health. The College has a greater number of services delivered in-house than others in the sector which impacts on the ratio, and while pay levels are commensurate with local market rates, they reflect the Group is a high performing and high-quality institution with high expectations of staff. The Deputy Principal confirmed that benchmarking of staff pay is being completed, and that the mid-reforecast of finances which will be shared at the February Board will consider this further.  **Resolved: To receive and note the Principal’s report including the Key Performance Indicators (KPIs)** |
| **Item 4.** | **Board to receive or approve** |
| **4.1 Finance Report**  *Submitted: Report (circulated in meeting papers)*  David Rothwell (Deputy Principal – Finance and Resources) presented the report which updated on the financial performance and position of the Group. Performance against the key financial indicators as at the end of November 2020 was confirmed to be as follows:   |  |  |  |  | | --- | --- | --- | --- | | **Summary financial performance at 30 November 2020** | | | | | **Financial performance measure** | **Current position** | **Projected Outturn** | **Original Budget** | | Sector EBITDA as % of income | 2.8% | 2.1% | 2.2% | | Borrowing as a % of income | 6.8% | 6.3% | 6.4% | | Cash days in hand | 174 | 107 | 105 | | Adjusted current ratio | 2.5 | 3.0 | 2.5 | | Staff cost / income ratio | 70.6% | 71.6% | 70.2% | | Financial covenants overall compliance | Yes | Yes | Yes | | ESFA Financial Health category | Good | Good | Good |   The Deputy Principal confirmed that financial risks have not changed in the 4 weeks since the last Board meeting. The team’s energies are focused on production of the key mid-year finance returns which are being developed in tandem with curriculum planning, and are due for submission to ESFA by the end of January. These returns - the finance record and IFMC submission - will contribute to the mid-year reforecast which will be received at the February Board meeting.  The performance position in relation to the Adult Education Budget (AEB) was discussed, with the Deputy Principal updating on ongoing work to innumerate performance and the expected year-end outcome position. The Deputy Principal confirmed that ESFA have recently indicated they are considering their position on AEB year-end reconciliation, and it seems more likely some form of relaxation of funding rules will be put in place this year due to Covid-19. The Group’s modelling of year-end performance shows a worse case clawback position for AEB of £1.5mn, with the Group continuing to push and prioritise innovation and to continue and increase delivery. In relation to 16-18 funding, it was acknowledged again that due to the lagged finding model, the Group’s 2021/22 allocation will be below what had been planned, and it is important to review and consider the impact of this on 2021/22 and 2022/23.  To support the Board’s forward planning and triangulation of data, it was agreed that David Rothwell (Deputy Principal – Finance and Resources) will set out and share with the Board the targets (cash and volumes) agreed in the Restructuring Facility (RF) grant funding agreement with the ESFA, and the Group’s confirmed or expected position against these.  **Resolved: to receive and note the Finance Report** |
| **Item 5.** | **Any Other Business (AOB)** |
| There were no items of any other business. |
| **Item 6.** | **Review of meeting and reflections against the Group values**  Members considered today’s meeting, decisions and ways of working against the Group’s values. The presenters were all thanked for their excellent reports and inputs which had facilitated a valuable discussion and review. The Board’s consensus was that a rich discussion had been facilitated today that will guide the Group’s strategic priorities and positioning moving forward.  Tom Gee and Will Cook (Staff Governors) left the meeting for the remaining item to be considered. |
| **Item 4.2** | **4.2 Governance Report**  *Submitted: Report (circulated in meeting papers)*  Debbie Corcoran (Director of Governance) presented the report, which made recommendations in relation to the determination of the Board and asked the Board to consider re-appointment of Staff Governors due to their terms of office ending.  After consideration, the Board agreed to approve a revised determination that the Board return to having 2 Staff Governors rather than 3, which had been agreed from the point of merger. This change reflected the move towards a smaller Board size, which will also be achieved through a reduction in independent members through succession planning, while retaining a high degree of Staff Governor input and participation to the Board. Revised terms of office were also agreed for the two Staff Governors, and their terms of office harmonised.  **Resolved: To approve a revised Board determination of two Staff Governors, and confirmation of such in the Board’s Instruments and Articles as needed**  **Resolved: To approve an additional term of office for Tom Gee and Will Cook as Staff Governors on the Board, ending 30 September 2023.**  With this the Chair thanked everyone for their attendance and contributions, and the meeting was brought to a close. |

**Debbie Corcoran**

**Director of Governance**

**Signed as an accurate record:…………………………………………(Chair of Corporation)**

**Name:…………………………………………………………………………..Date:…………………**