

**FURTHER EDUCATION CORPORATION MEETINGS 2020/21**

**MINUTES OF THE FURTHER EDUCATION CORPORATION MEETING**

**Held at 4pm on Monday 22 March 2021**

**Via Zoom**

|  |  |
| --- | --- |
| **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, Emma Schofield and Neil Hart |
| **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)  Fionnuala Swann (Assistant Principal – Academic)  Claire Jarvis (Assistant Principal – Finance and HR)  Debbie Corcoran (Director of Governance) |

|  |  |
| --- | --- |
| **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, Tim Webber MBE and Usman Muhammad.  **1.2** **Declarations of Interest**  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 (22 February 2021)**  *Submitted: ‘Minutes of the Board of Corporation Meeting held on 22nd February 2021’ - circulated in Board papers*  The Minutes of the Board of Corporation Meeting held on the 22nd February 2021 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. The Board of Corporation also noted the application of the College Seal since the last Board meeting to a contract for the refurbishment of toilet facilities totalling £235,925.27, and the approval of a written resolution dated 5th March 2021 approving an addendum to the Safeguarding Policy.  **Resolved:** **to receive and note the updated Matters Arising log**  **Resolved: to note the application of the College Seal since the previous Board meeting and the written resolution dated 5th March 2021 approving an addendum to the Safeguarding Policy**  David Whatley (Board member) joined the meeting. |
|  |

|  |  |
| --- | --- |
| **Item 2.** | **STRATEGIC DISCUSSIONS** |
| **2.1** | **Strategic Discussion: Equality Diversity and Inclusion (EDI)** |
| *Submitted: Report and Presentation (circulated in meeting papers)*  Tracey Baron (Deputy Principal – Quality and Curriculum) the overall lead for Equality, Diversity and Inclusion (EDI) in the College Group introduced this item. The Deputy Principal explained that today’s strategic discussion item included the annual EDI report for the Board’s consideration and approval. The Board were reminded that EDI is a cross-College approach. Overall accountability for EDI sits with the Deputy Principal, with other SLT key leads including Claire Jarvis (Assistant Principal – Finance and HR) leading the people aspects, Anita Monaghan (Marketing Director) on communications and Andrew Dewhurst (CIO) leading on accessibility. Debbie Corcoran (Director of Governance) leads on supporting the Corporation in respect of its duties and governance aspects.  The following information was included as part of the Annual Report, and reviewed in the meeting:   * A proposed new EDI Policy and supporting framework for the Group was shared. This includes a draft purpose reflecting Board consideration in this area, a reminder of the legislative framework for EDI, summary of the specific duties on Colleges, roles and responsibilities within the College Group, how the policy is implemented and also related policies (for example the existing Complaints Policy, and Bullying and Harassment Policy) * Proposed EDI objectives for the Group were set out for Board consideration, with a supporting Action Plan. The Action Plan is led by the Deputy Director of Quality and Curriculum, and overseen and delivered through the College Group’s EDI Group which has active representation from across the College. It was noted that the Action Plan sets out the current position and planned activity against 3 key areas of focus: i) People (linked to the Group’s People Strategy ii) Students – Performance and Curriculum and iii) Communication. * The Board recognised that their previous consideration of the People Strategy at a prior meeting had included data and actions related to EDI with the Board receiving at its December 2020 Board meeting key monitoring information in relation to EDI and staffing in the 2019/20 year * An EDI Learner Report 2019-20 was shared, setting out a summary of 16-19 learner performance on full-time study programmes against the proposed EDI monitoring and performance measures. The Board welcomed that the report clearly set out learner profile and achievement data through an ‘EDI lens’, along with resulting areas for continued monitoring and prioritisation. Actions are captured and progressed through the EDI action plan objective for ‘Students – Performance and Curriculum’ * The Director of Governance shared a review of the Group’s current approach in respect of EDI against the Association of Colleges (AoC) Code of Good Governance requirements in this area. The assurance offered through the review was welcomed by the Board as an additional check of good practice, with areas of further work and development set out. The Board noted that this review had been completed against the draft revised Code, and that therefore requirements against EDI may change after consultation on the Code and its finalisation – the Board welcomed additional oversight on the position and progress through a future Search Committee meeting * A draft Gender Pay Gap Report 2020 was shared for consideration and approval, and will be published after Board approval, in line with requirements on all organisations with more than 250 staff   The Deputy Director summarised the range of legal frameworks and related requirements in relation to EDI on all public bodies, most importantly the Equality Act 2010 and the resulting Public Sector Equality Duty (PSED). The Corporation reflected that it has both a critical leadership role in relation to EDI, and also in ensuring that the College Group meets all legal requirements from a statutory perspective. The Board shared its ambition that the Group’s approach goes above minimum statutory requirements and exceeds them. The Board considered the AoC’s developing approach and increased prioritisation of EDI and how this can influence and support the College Group’s own approach.  The Board welcomed the report, and reflected that it would be helpful for future annual reports in EDI to include updates in every key area, rather than people data being shared separately as had happened this year. This matched the proposal in the report that the Corporation should receive its next annual EDI Annual Report at the January 2022 Board meeting, and that this will include both learner and people data in a single report in respect of EDI. It was noted that the next annual report will benefit from progress being made this year in the Group’s approach – including around the collection and analysis of enhanced staffing data, as well as data and analysis of learners being extended to include an update on 16-19 learners, adults and apprenticeships.  The Corporation were assured that the current and planned approach to EDI in the Group is compliant with legal and statutory requirements. After today’s considerations, the Group will publish on our website our revised intent in relation to EDI and EDI objectives – with this information joining the Accessibility Plan which is already publicly available, and meeting all publication requirements on Colleges.  In respects of key developments to improve the approach, the Board welcomed confirmation by Claire Jarvis (Assistant Principal – Finance and HR) that priority is being given from a ‘People’ perspective to progressing data cleansing to improve data collection, supported by reconfigured HR systems. This improved baseline will then lead to more meaningful and ambitious SMART targets being set in the EDI Action Plan by the end of summer term. The Assistant Principal also confirmed that all HR policies are equality impact assessed (EIA). The Corporation asked for assurance on recruitment practices from an EDI perspective, keen to ensure there is equity of access to opportunities. The Assistant Principal confirmed that the Group is already accredited as a ‘Disability Confident’ employer, and is also close to committing to the AoC’s mental health charter. The Group’s approach to applying reasonable adjustments at both vacancy and interview stage were set out and considered. Board members shared their recruitment practices and approaches, and asked for assurance moving forward that the Group’s vacancy and application stage of recruitment be made as inclusive as possible.  In relation to the EDI strategy and Action Plan, Board welcomed the clarity provided and direction of travel, agreeing that they reflect and will deliver against their broad commitment and priorities in this area. The Board asked that opportunities be maximised moving forward for close working across the whole College to develop and refine the vision and bring it to life in daily practice. The value of formal and informal staff networks was recognised. In relation to the data under-pinning the strategy, Board asked and were assured on the gathering and use of soft data from staff to inform the approach to EDI through mechanisms such as the staff survey, exit interviews and staff forums such as staff voice. The position in the Gender Pay Gap was noted as being positive, with the Board keen to ensure that role models be encouraged and developed to support the ambitions and aspirations of both staff and students alike.  The Board carefully considered and reviewed the EDI Learner Report 2019-20, and welcomed its extension in future editions to also include data on adults and apprentices. It was noted that any variations, challenges and resulting actions for improvement from an EDI position in relation to 16-19s, adults and apprentices had already been set out and considered through Board approval of the Strategic Self-Assessment Reports (SAR) – with progress monitored through the resulting quality improvement plans (QIPs). Board members welcomed the Learner Report’s clarity and fine grain information on learner profile (with consideration against characteristics such the campus, ethnicity, gender and disadvantage), and also the position against achievement, progress and destinations with the resulting areas for close monitoring and focused improvement considered and reviewed. The differences in learner profile and curriculum mix (level and type) were recognised across the Group’s two campuses, and there was agreement of continued interrogation at both overall and campus level.  Agreed: Board will receive its next annual report on Equality, Diversity and Inclusion (EDI) at its January 2022 meeting. This next annual report will include enhanced data and analysis in each of the 3 key workstreams of the EDI Action Plan (People, Learners and Communications)  Agreed: Search Committee will be convened by the end of Summer to review the Group’s position and approach in relation to expectations set out in relation to EDI in the revised AoC Code of Good Governance framework, which is expected to have been finalised by then.  Agreed: Forward development of the Group’s EDI framework and Action Plan will consider Board feedback today, in particular exploring opportunities to strengthen the Group’s vision and commitment to EDI, and staff engagement in the overall approach  The Deputy Principal, Assistant Principal and Director of Governance were thanked for the engaging item in this critical area of work.  Following the thorough review, the Board resolved as follows:  **Resolved:** **to receive and note the strategic discussion item on equality, diversity and inclusion (EDI) and to:**   * **Approve the EDI Policy** * **Approve the EDI objectives and supporting EDI Action Plan** * **Note the Equality Diversity and Inclusion - Learners Annual Update Report** * **Approve the 2020 Gender Pay Gap report**   Neil Hart left the meeting. |
| **2.2** | **Strategic Discussion: Learner Voice** |
| *Submitted: Report (circulated in meeting papers)*  Tracey Baron (Deputy Principal – Quality and Curriculum) presented the strategic discussion item on learner voice, which gave an overview of learner voice activities to date during this academic year and set out in-year improvement activities based on learner feedback. Board took the opportunity to consider the reported feedback alongside learner voice they had heard themselves through for example participating in the recent and continued programme of opportunities in place through which has seen them join online lessons and access a series of deep dives in curriculum areas such as A levels, HE and the Group’s SEND delivery.  The supporting report for the strategic discussion item, and Board’s consideration, covered the mechanisms in place to capture learner voice through a variety of mediums and at various points in their learning, and use of benchmarking throughout where possible. These mechanisms were noted to include a variety of surveys (e.g. QDP, Curriculum Surveyor, the wider impact survey completed by Lancashire Adult Learning (LAL)); Learner Focus Groups held throughout the year, and also gathering of learner voice through lesson observations and the learning walk process. Board welcomed that the approach is evolving and being strengthened. Improvements include a new reporting mechanism in place to gather apprentice’s learner voice, improvements in subcontractor surveys, additional surveys and additional questions regarding learner’s online experience and awareness of staying safe online. A new employer survey has also been launched to strengthen feedback in key areas, and is currently live.  Board members shared their thanks for the Deep Dives delivered by the leadership team, which had given the opportunity for the Board to meet with and hear the experiences of learners direct, even during Covid-19 restrictions. Board members shared examples of insight from learners, and triangulated this with the report’s overview of learner’s views on College’s strengths and weaknesses, and the resulting actions put in place to respond.  The Board were assured on robust mechanisms and monitoring in place to respond to learner voice. These include monthly monitoring of feedback, actions and improvements by the leadership team through the quality matrix for example – as well as the ‘At Risk Matrix’ and divisional QIPs. Board asked about, and were further assured on, mechanisms in place to gather and respond to learner feedback through subcontractors, with the Board sharing their view that while the Group had a small volume of sub-contracted delivery it must maintain tight oversight of quality and learner experience.  The impact of improvements and actions put in place this academic year in response to learner voice were set out in the report, reviewed by the Board and progress welcomed. It was noted that while there has been improvement in apprentices understanding of what to do if they disagree with feedback on their learning, with a 7% improvement on the previous induction survey – more work has been completed and progress will be further tested through a planned adult survey. Mike Phelan (Chair of Quality and Standards Committee) assured that the Quality and Standards Committee also has oversight of survey responses and resulting actions in-year, with progress reviewed and considered at this more granular level of detail on behalf of full Board.  The Deputy Principal was thanked for the informative report, and the assurance received.  **Resolved:** **to receive and note the strategic discussion item on Learner Voice** |
| **2.3** | **Strategic Discussion: Higher Education (HE) Strategy and Curriculum** |
| *Submitted: Report and presentation (circulated in meeting papers)*  Tracey Baron (Deputy Principal – Quality and Curriculum) presented the strategic discussion item on Higher Education (HE). Areas covered and considered in the item and Board discussion included:   * A proposed ambition and refreshed strategic intent in relation to HE - focusing on: improving the life prospects and well-being of learners, ‘levelling up’ around economic and social mobility, increasing the pool of adults with relevant higher education knowledge and skills available to local employers, increasing access to educational opportunity and also responding to Covid-19 recovery plans * National and regional policy context and drivers * Current learner profile – showing for example that 31% of HE learners at the Group live in the 10% most deprived local authority areas nationally, versus a national average of 10% - as well as the gender and age profile of learners * Assessment of the 5 current HE partners the Group collaborates with, including detail of strategic fit and proposals for moving forward * Local competition - with data shared on the volumes of HE students at nearby institutions and including higher Apprenticeships since 2017/18 onwards – along with consideration of the comparative offer and delivery patterns * Implementation approach, including the offer available now and planned for launch both from September 2021 and also in September 2022. Board recognised that there is a 2-year planning process for HE, and that curriculum/programmes have to be written and validated which can take time * The campus – including how the recently approved Estates Strategy for the Group will improve the feel of the campus and University Centres, with Board members reflecting that learner voice heard in a recent HE deep dive for the Board had supported such an approach and improvements * Planned promotion of the Group’s new HE offer, including the scheduled launch, new materials and virtual event being programmed for May 2021 which will include both traditional and innovative online delivery methods – as well as an overview of the offer itself and rationale for key changes and developments in response to employer, learner and economic needs * Recruitment trends and progression pathways both from and to HE were also set out. The latest in-year recruitment position was shared and noted to be a positive improvement on the recruitment position for HE in the previous academic year   Board members reflected on areas of feedback they had received from HE students, and were pleased that the proposed approach responds to this with many positives having been shared by HE students such as the flexibility of delivery and focus on employment. HE students had fedback that they would value taught sessions being recorded, and this had been listened to and was now in place. The Board also heard a summary of further actions continuing to improve HE students access to and use of IT.  Board considered the report, learner voice and reflected on the HE offers unique selling points and positioning in the marketplace. Board approved the strategic ambition proposed for HE and supporting core objectives – noting that further discussion on opportunities for continued growth in HE would be considered through the Board awaydays in April.    **Resolved: to receive and note the strategic discussion item on Higher Education (HE) – and approve the strategic ambition and supporting core objectives for HE** |
| **Item 3.** | **Principals Report – including Key Performance Indicators (KPIs)**  *Submitted: Report (circulated in meeting papers)* |
| The Principal presented the report, which also included the key performance indicator (KPI) dashboard. The report and supporting discussions in the meeting included an update on the delivery model in place since the College Group re-opened to 16-18 year old students on 8th March; developments and delivery by Lancashire Adult Learning (LAL); the availability and approach to offering on-site testing for Covid-19 to students and staff; GCSE and A level assessment approach and the hope to hold enrolment face-to-face for new 16-18 students. An update was also received on Estates and progress in developing bids to the T level and transformation capital funds.  The report also updated on the budgetary planning process for 2021/22, and analysis of pay and non-pay costs which had been completed by Tribal, external consultants, and offered valuable benchmarking against similar Colleges. Areas of variability in the College Group’s cost base and expenditure compared to the sector average have been highlighted through the work, with some opportunities to improve productivity across a number of themes, and these will be shared with and considered by the Board at their April awaydays.  In relation to the ongoing response to Covid-19, the Board of Corporation supported the plan that from Easter onwards there will be an increased volume of learners on site, welcoming the Principal and leadership teams continued engagement with staff both direct and through the JCC to support this movement.  The Board reviewed the KPI position, focusing on areas of risk and variance from target. It was recognised that the highest areas of risk remain as relating to learner volumes and income. David Rothwell (Deputy Principal – Finance and Resources) updated that shortly before the meeting had begun, the Education Skills and Funding Agency (ESFA) had confirmed that the policy for clawback of the Adult Education Budget (AEB) for this academic year would be set at 90%. The Deputy Principal confirmed the Group’s exposure to clawback, and the Board reviewed measures in place to manage the financial impact. Given Pendle’s significant infection levels of Covid-19 with resulting impact on face-to-face delivery, the Group would look to submit a business case to mitigate clawback should cases be considered by ESFA.  Board valued the sharp focus and quick oversight the KPIs offer in key areas of delivery, and ability to highlight key areas of risk. It was agreed that the Director of Governance will make available to the Board copies of the updated KPI dashboards when they have been produced by the leadership team outside of meetings through OnBoard, to support ongoing Board oversight.  **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 Finance Report. The report included performance and management accounts as at the end of February 2021, and updated on current performance and actions following the mid-year reforecast having been approved by the Board at its February meeting.  Board welcomed that the performance position was in line with the mid-year reforecast projection of a £335k operating surplus, and EBITDA of £1.38mn at year-end. The KPI performance was reported to be as follows:   |  |  |  |  | | --- | --- | --- | --- | | **Summary financial performance at 28 February 2021** | | | | | **Financial performance measure** | **Current position** | **Projected Outturn** | **Original Budget** | | Sector EBITDA as % of income | 4.9% | 4.6% | 2.2% | | Borrowing as a % of income | 6.7% | 6.4% | 6.4% | | Cash days in hand | 133 | 117 | 105 | | Adjusted current ratio | 3.5 | 3.2 | 2.5 | | Staff cost / income ratio | 71.2% | 72.1% | 70.2% | | Financial covenants overall compliance | Yes | Yes | Yes | | ESFA Financial Health category | Good | Good | Good |   As always, the Finance Report clearly set out variances against budget, and also this time included 2021/22 early estimates. The Deputy Principal confirmed that the Group has received its allocation for 16-18 participation funding next year. A business case is being prepared to mitigate some funding loss due to a data management issue which had depressed the allocation by circa £100k. The Group’s staff costs/income ratio remains above the strategic target agreed with Board, and the EBITDA position is also below the sector benchmark. The Deputy Principal confirmed that an action plan to recalibrate costs in light of reduced income levels through achieving an annual pay cost saving of 2.5% was in development, and will be further reviewed given today’s announcement on AEB clawback. Board noted that Lancashire LEP has recently paid the remaining balance of Skills Capital Funding to the Group. In relation to the FE Capital Transformation Fund (FECTF) bid under development by the College Group, it was confirmed that this has been submitted today in the competitive bidding process. The bid is focused on the Hameldon building and construction and motor vehicle; totals £3mn gross project cost, and requests 75% of project costs be funded by the Government through the scheme.  In relation to the need to reduce costs for 2021/22, the Board asked that modelling of options try to consider and be cognisant of turbulence and uncertainty in both the sector and economy both in the short and medium term. As Board’s discussions at the awaydays will be focused on strategic finance and not relate to the level of detail around options to secure cost savings, it was agreed that an additional meeting will be convened between the leadership team and Board members to deepen Board member’s understanding and assurance on the Group’s forward financial strategy given confirmation of the AEB funding tolerance for this year and implications.  **Resolved: to receive and note the Finance Report**  **4.2 Local Government Pension Scheme (LGPS) Options**  *Submitted: Report (circulated in meeting papers)*  David Rothwell (Deputy Principal – Finance and Resources) presented the report, which had been developed to progress consideration of possible new approaches to pension support for non-teaching staff moving forward, given financial pressures and consideration of changes in practice in the sector. The report progressed previous discussions at Board and also Finance and Resources Committee on the value of potentially utilising a subsidiary company as an employment vehicle for non-teaching staff appointed in the future, thereby obviating the need to offer LGPS membership. The report shared headline implementation matters, associated risks, set up costs and possible timescales and next steps.  The Deputy Principal shared insight gathered through review of a similar approach in place at Warwickshire College, sharing the benefits that had been realised as a result of the new approach, and the importance of professional advice at the start of any new approach and careful consideration of cultural dynamics.  Board carefully and thoroughly considered the proposals in an open and frank discussion, with the Chair encouraging all to contribute their views. Given the potential revised model would apply to new non-teaching staff only and therefore result in staff being on different terms and conditions, the Board recognised it was important to consider how this sat with the Group’s culture and values. If a new approach was likely to impact on recruitment of senior managers then the option of a defined benefits scheme to remain competitive could be considered in options. Board members shared their experience of similar approaches in their own organisations and the positive aspects as well as areas for careful consideration and management should this be introduced. The Deputy Principal confirmed that alternative approaches had been considered such as outsourcing, at a high level.  While recognising risks and the need to carefully considered possible negatives of any new approach, Board collectively agreed that they supported further development work to consider the options further, and that this could be supported by professional advice, with a budget of up to £25k agreed. It was agreed for independent legal advice to be commissioned to support an options analysis of alternative pension arrangements for future non-teaching staff outside of the LGPS to be completed and shared with the Board. As well as outlining risks and mitigations, Board asked that the options appraisal include an equality impact assessment of the potential forward model to support their further consideration.  **Resolved: for the Deputy Principal – Finance and Resources to commission independent legal advice to support production of an options analysis, and supporting equalities impact assessment, of alternative arrangements for future non-teaching staff outside of the LGPS for Board consideration** |
| **Item 5.** | **Minutes and Recommendations from Committees** |
| *Submitted: Report (circulated in meeting papers)*  Debbie Corcoran (Director of Governance) presented the report which offered Board copies of the following for their assurance and consideration:   * Approved minutes from the Quality and Standards Committee additional meeting on 12 January 2021 which focused on a review of the Apprenticeship strategic Self-Assessment Report (SAR) * Unapproved minutes from the Audit Committee meeting on the 5 March 2021, with a copy of the associated fee proposal from RSM to act as financial statement auditors for 2020/21 also provided, along with a supporting benchmarking exercise completed by the Deputy Principal and shared after the Committee meeting to support decision-making   Following consideration and an update from the Committee Chairs on areas of interest or risk, the Board reviewed the recommendations from the Committees and resolved as follows:  **Resolved: following the recommendation from Audit Committee, to approve re-appointment of RSM as financial statement auditors for 2020/21 and approve the associated fee** |
| **Item 6.** | **Any Other Business (AOB)** |
| The Director of Governance highlighted she would be contacting several Board members to refresh their mandatory level 1 safeguarding training as it was close to the 3 year time period for this to be renewed. It was agreed that Board members will let the Director of Governance know if they would like to link with fellow Board members when completing the mandatory Prevent and Safeguarding training to realise maximum benefit, and if so, this will be supported.  A headline summary of the agenda and focus for the Boards 3 awayday sessions in April was reviewed following on from its consideration with the Chair, and agreed as an exciting and engaging programme.  Emma Schofield (Board member) asked for East Lancashire Hospital Trust (ELHT) thanks to be formally shared with Lancashire Adult Learning (LAL) for the outstanding support they have continued to offer the Trust around skills support, and their ongoing flexibility and responsiveness to support the Trust to recruit and progress staff into key roles. Over 100 staff have been recruited recently by the Trust with LAL’s support, and the ELHT would like to feedback how impressed they are with this as a key local employer. |
| **Item 7.** | **Review of meeting and reflections against the Group values**  Members considered today’s meeting, decisions and ways of working against the Group’s values. Board members commented that reports had been clear and focused, supporting effective discussion on big strategic issues. The Chair was thanked for continuing to effectively and skilfully create an environment in meetings for strong support and challenge, with divergent views able to be shared and a collective view reached. SLT were thanked and commended by the Board for their ongoing work and commitment to excellence and ensuring the best possible support and outcomes for learners in extremely challenging and turbulent conditions. |

**Debbie Corcoran**

**Director of Governance**

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

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