

**FURTHER EDUCATION CORPORATION MEETINGS 2020/21**

**MINUTES OF THE FURTHER EDUCATION CORPORATION MEETING**

**Held at 4pm on Monday 17 May 2021**

**Via Zoom**

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| **Members present:** | Stephen Barnes (Chair), Phil Wilkinson (Vice Chair), Amanda Melton CBE (Principal), Mike Phelan, Stephanie Bridgeman, Tom Gee, Julie Turner, Liz Sedgley, Will Cook, Zulfi Khan, Nadeem Rashid |
| **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)Morag Davis (Assistant Principal – Vocational)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 Tim Webber MBE, David Whatley, Neil Hart, Usman Muhammad, Emma Schofield and Andrew Dewhurst. The Chair and Board asked for their warm wishes to be shared with Emma Schofield due to her family illness and with David Whatley, with warm wishes for his speedy recovery. The Board shared their thanks with Tim Webber MBE for his support and input, given he would be leaving the Board and becoming an Ambassador, continuing his support for the College Group moving forwards.**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 March 2021)***Submitted: ‘Minutes of the Board of Corporation Meeting held on 22nd March 2021’ - circulated in Board papers*The Minutes of the Board of Corporation Meeting held on the 22nd March 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. **Resolved:** **to receive and note the updated Matters Arising log**  |
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| **Item 2.** | **STRATEGIC DISCUSSIONS** |
| **2.1** | **Strategic Discussion: Strategic Update following Board Awaydays** |
| *Submitted: Presentations delivered in the meeting*Morag Davis, Alison Rushton and Liz Sedgley joined the meeting.Amanda Melton (Principal) led this strategic discussion item, which followed on from the Board of Corporations recent Awaydays in April. The item began by updating against key developments reviewed at the Board’s Awayday and since progressed, including: * the new Skills Accelerator bidding opportunity to support delivery of priorities in the FE White Paper, and related Local Skills Improvement Plan (LSIP) and Strategic Development Fund
* Lancashire’s Institute of Technology (IoT) bid, including lead arrangements and the College’s inputs and role
* Progress of the Nelson Town Deal, and the Group’s contribution to community renewal schemes in Nelson, Accrington and Hyndburn
* Projects to address and support those young people who are Not in Education Employment or Training (NEET)
* The new ‘Lift Off’ initiative in Lancashire

Note - A reserved minute records commercial in confidence discussions.In all instances the Board considered ‘strategic fit’ and how the opportunities could compliment and progress the strategic priorities of the Group, and meet the needs of our local businesses, communities and learners. The Principal also updated and offered assurance in key developments being delivered and planned related to growth in the College’s provision, set out against 16-18 students, adults, the HE Centre and offer and also apprenticeships.Alison Rushton (Vice Principal – Adult Learning and Apprenticeships) presented the assurance update included in the Principal’s Report on recruitment, with Board welcoming the positive position. It was agreed that an updated recruitment report will be shared with the Board following the meeting, showing data points this year compared to previous years – with the Vice Principal confirming figures and the position in the meeting. Strategies were set out for gaining market share and growth in 16-18, and further options considered at Board’s suggestion such as the use of IT and check on current and planned bus routes to support recruitment. Considerations and risks around achieving growth were set out and recognised given the rise of the Delta variant of Covid-19. As this was the Vice Principals last meeting before leaving the College, the Chair and Board took the opportunity to warmly thank her for her exemplary service and commitment to the College.David Rothwell (Deputy Principal – Finance and Resources) presented a strategic finance update, which was complimented and supplemented by the Finance Report shared as item 4.1 later in the agenda. Areas covered and considered in this part of the Strategic Discussion item included:* *Financial position and performance*, including sharing an updated year-end projection, confirmation of an assumption of a £1mn clawback for Adult Education Budget (AEB) in 2020/21 and that the projected EBITDA remains as originally forecast
* *Business planning 2021/22* – including latest position on curriculum planning and also capital request bids and related processes
* *Draft financial objectives 2021/22* were presented and considered – following on from Board input and feedback at the April Awayday
* *Capital investment scenarios* were set out for consideration, covering 2020-1 out-turn and estimates up to 2023-24, with an assumption of 50% match-funding for capital developments submitted as competitive bids to the Education and Skills Funding Agency (ESFA)

The Deputy Principal confirmed that the draft 2021/22 budget for the College Group will be offered to the July Board meeting for consideration, and also explained the implications of the new College Financial Reporting tool. A business case has been submitted to the ESFA to increase the Groups 16-18 allocation by £100k, relating to methodology changes. Circa £400k of staff savings have been identified in-year and were set out at headline level, and had been informed by the Tribal review shared at the recent Board awayday. The Deputy Principal confirmed that the options paper on Local Government Pension Scheme (LGPS) requested by the Board was progressing, with independent input from Stone King, who will present at the July Corporation meeting.The Board were made aware of the key changes and implications of the recently published Post-16 Audit Code of Practice (ACOP), ahead of their consideration at the Corporation’s next Audit Committee meeting. It was confirmed that the changes in practice required will necessitate additional unforeseen input from all FE College’s financial statement auditors, therefore a revised external audit fee proposal will be prepared and received for Board consideration. The Board welcomed that this unexpected increase in costs will be mitigated by the Group being a pilot site for the new arrangements with our external auditors, which also benefits us in relation to learning and insight. Board considered the changes, in particular reflecting on the large proportion of Adult Community Learning (ACL) delivered by the Group, as well as the ICCA independent review of this spend and benchmarking of costs by HOLEX.In relation to the developing draft financial objectives for the Group, the Board noted they will return to the July meeting. Board sought assurance that the objectives were ambitious but realistic, and were interested in relative sector benchmarks. The Deputy Principal presented an update and recommendations around sustainability, following on from the Board’s awayday. The Board recognised the critical importance of the sustainability agenda and approved adopting the Climate Change Roadmap for FE Colleges as a key tool in supporting the net zero ambition. It was recognised that this commitment will include making a public statement of intent through the College Group signing the Global Climate letter ‘Race to Zero’, and incorporation of the low carbon agenda into strategic planning and the Key Performance Indicators (KPIs) overseen by the Board. Organisational arrangements will be reviewed, with improved baselining and a position audit completed. Board welcomed the strong engagement already made between the leadership team and both staff and students in this area. Following an invitation from the Deputy Principal, it was agreed that Phil Wilkinson and Steph Bridgeman will represent the Board in related forums and engage in the agenda to support string links and oversight between the Corporation and the sustainability agenda.In summarising, the Principal presented revised draft strategic objectives for the College Group’s new strategic plan, which were welcomed by the Board who had shaped their development at the awayday. It was agreed that Board members will share any further comments on the draft strategic objectives with the Principal and Director of Governance to inform their further development ahead of their presentation at the July Board meeting, and expected approval at the September meeting.The Principal, Deputy Principal and Vice Principal were thanked for the engaging strategic discussion item.Following the thorough review, the Board resolved as follows:**Resolved:** **to receive and note the item on ‘Strategic Update following April Awayday’** **Resolved:** **to adopt the Climate Change Roadmap for FE Colleges as a key tool in supporting the net zero ambition and make a public statement of intent through the College Group signing the Global Climate letter ‘Race to Zero’** |
| **2.2** | **Strategic Discussion: Quality Strategy and Ofsted Readiness** |
| *Submitted: Report and presentation (circulated in meeting papers)* Tracey Baron (Deputy Principal – Quality and Curriculum) presented the strategic discussion item on the Quality Strategy and Ofsted readiness. The Board considered the Quality Strategy and it was approved, with the Board noting the document fully summarised the approach, assurance framework and quality cycle agreed and understood by the Corporation. It was agreed for a single slide to be produced for Board which presents the quality assurance cycle and strategies in place to address under-performance and improve quality of education, as a helpful summary. In the review, Board were interested in how good practice in relation to teaching, learning and assessment is gathered and shared across teams systematically. The Deputy Principal outlined how learning walks help to identify good teaching practice – the good practice is explored through the professional discussion after the walk, then posted onto the ‘curriculum observer’ collection tool to be shared by the central team as excellent practice and also turned into a teaching tip for all teaching staff. An example from this morning was shared to demonstrate this, with a teaching tip having been shared following on from practice seen in a lesson observation, showing how to use the annotation tool on zoom to enhance teaching and learning. At divisional level, it was explained that weekly divisional Career Professional Development (CPD) sessions also share good practice. In apprenticeships, a further example shared with the Board was where an assessor had displayed in their PC’s online background the lesson’s learning objectives for apprentices to support focus, and this had been shared across the teams as good practice.In relation to preparedness for an Ofsted inspection, the Deputy Principal outlined the approach in place which is structured around the following 3 key workstreams: governance, curriculum and support. Board members considered the approach and were assured it is rigorous and building capacity, while recognising that for Board as curriculum and quality is at the heart of their role and responsibilities, the approach is adding value by supporting deeper learning and focus in key critical areas. Given the Board’s interest in the capacity building of staff, it was agreed that the Deputy Principal will share with them examples of ‘flipped learning’ questions and model answers It was also agreed that inspection reports from Colleges recently graded as outstanding by Ofsted will be shared with the Board.Members shared their thanks for the Board preparedness sessions being delivered which were very engaging, enjoyable and informative. The Deputy Principal was thanked for the informative report, and the assurance received.**Resolved:** **to receive and note the strategic discussion item on the Quality Strategy and readiness for Ofsted inspection****Resolved:** **to receive and approve the Quality Strategy** |
| **Item 3.** | **Principals Report – including applications report and Key Performance Indicators (KPIs)***Submitted: Report (circulated in meeting papers)*  |
| The Principal presented the report, which also included the key performance indicator (KPI) dashboard and an applications report. The report and supporting discussions in the meeting included:* An update on recent changes in the senior leadership team, and new appointments
* Latest position in relation to Covid-19 - with updated advice from Lancashire County Council (LCC), the continuation of wearing face masks, case numbers, liaison and feedback from staff on the Group’s approach and likely risks and approach for September onwards
* The Principal’s new role as a commissioner for the Times Commission in Education
* Local Skills Improvement Plans (LSIP), the Strategic Development Fund, Community Renewal and other opportunities

The Board reviewed the KPI position - focusing on areas of risk and variance from target, and triangulating this with updates in reports on today’s agenda. **Resolved: To receive and note the Principal’s report including the Key Performance Indicators (KPIs) and applications report** |
| **Item 4.** | **Board to receive or approve** |
| **4.1 Finance Report***Submitted: Report (circulated in meeting papers)*David Rothwell (Deputy Principal – Finance and Resources) summarised the Finance Report, elements of which had been considered under the earlier strategic discussion item. The Board noted that the report updated on performance against the mid-year reforecast agreed by the Corporation in February and included performance and management accounts as at the end of April 2021. Finance KPIs were reported as follows:

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| **Summary financial performance at 31 March 2021** |
| **Financial performance measure** | **Current position** | **Projected Outturn** | **Original Budget** |
| Sector EBITDA as % of income | 3.3% | 2.4% | 2.2% |
| Borrowing as a % of income | 7.0% | 6.7% | 6.4% |
| Cash days in hand | 127 | 134 | 105 |
| Adjusted current ratio | 3.1 | 2.5 | 2.5 |
| Staff cost / income ratio | 73.7% | 74.4% | 70.2% |
| Financial covenants overall compliance  | Yes | Yes | Yes |
| ESFA Financial Health category | Good | Good | Good |

The report also included for assurance the final account with Nelson Joinery for the Accrington and Rossendale College refurbishment works approved by the Board, offering additional detail further confirming delivery against agreed budget.**Resolved: to receive and note the Finance Report****Resolved: to receive and note the final account with Nelson Joinery for Accrington and Rossendale College refurbishment works approved by the Board****4.2 Governance Report***Submitted: Report (circulated in meeting papers)*Debbie Corcoran (Director of Governance) presented the report. Following consideration, the Board resolved to approve the extension of Amer Ansar’s appointment as a co-opted member of Audit Committee, with a revised term of office ending 31 May 2024, and recorded their thanks for his continued input and support.**Resolved: to extend the term of office of Amer Ansar as a co-opted member of Audit Committee to 31 May 2024** |
| **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 unapproved minutes from the Quality and Standards Committee meeting of 10 March 2021 for their assurance and consideration. Mike Phelan, Chair of the Committee drew attention to areas of note, highlighting key areas of risk or update.**Resolved: to receive and note the unapproved minutes from the Quality and Standards Committee meeting of 10 March 2021** |
| **Item 6.** | **Any Other Business (AOB)** |
| There were no items of any other business. |
| **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 thanked the Principal and leadership team for the high-quality inputs and reports which continue to support the Board to focus on key strategic issues and areas. |

**Debbie Corcoran**

**Director of Governance**

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

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