

**FURTHER EDUCATION CORPORATION MEETINGS 2021/22**

**MINUTES OF THE FURTHER EDUCATION CORPORATION MEETING**

**Held at 4pm on Monday 4th July 2022**

**Accrington and Rossendale College (Room AC114) and via Zoom**

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| **Members present:** | Phil Wilkinson (Chair), Amanda Melton CBE, Mike Phelan, Simone Hartley-Gott, Gillian Sharples, Nadeem Rashid, David Whatley, Chris Smith, Steve Campbell, Tom Gee and Liz Sedgley |
| **In attendance:** | David Rothwell (Deputy Principal – Finance and Resources)Tracey Baron (Deputy Principal – Curriculum and Quality)Claire Jarvis (Assistant Principal – Finance and HR)Morag Davis (Assistant Principal – Technical Curriculum)Jayne Wynne (Director of Marketing)Fionnuala Swann (Assistant Principal – Academic)Andrew Dewhurst (Chief Information Officer)Debbie Corcoran (Director of Governance) |

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| **Item 1.** | **1.1 Welcome and apologies for absence**Phil Wilkinson (Chair) welcomed everyone to the meeting. Apologies were received from Zulfi Khan and Emma Schofield.* 1. **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, with the exception of David Whatley whose term of office would be considered at item 4.3 Governance Report, and would leave the meeting for this item.**1.3 Minutes of the Previous Corporation Meeting (16th May 2022)***Submitted: Draft minutes (circulated in meeting papers)* The minutes of the Board meeting of 16th May 2022 were reviewed, and approved as an accurate record, for the signature of the Chair.**1.4 Matters Arising***Submitted: Reports (circulated in meeting papers)* The matters arising log was reviewed and the current position was noted. The Director of Governance updated that actions 21/22-17Jan-05 and 21/22-18Oct-02 had now been cleared, and will be removed.David Rothwell (Deputy Principal – Finance and Resources) shared an update on the dispute resolution position with UCU in relation to 2021/22 pay award, a matter which the Board has been briefed and received previous updates against. Phil Wilkinson (Chair) updated the Board following the recent appointment of the new Principal and CEO designate for the College Group, Lisa O’Loughlin. The appointment had been formally approved by the Corporation at the extraordinary Board meeting on 17th June 2022, with the full Board being updated on decisions and communications throughout. The Board noted the likely start date for the new Principal and CEO is the end of December due to contractual notice periods. The Board welcomed the Chair’s view that the new designate Principal is already thinking deeply about the College Group, and planning to develop early links with the senior leadership team. The Chair and Board felt it was positive that the designate Principal and CEO had also shared early thoughts on a possible ‘strategic review’ when she takes up post, which if agreed with the Board, would consider the College Group’s strategy moving forward, and help set her future approach and priorities.**Resolved:** **to receive and note the:*** **Matters Arising log**
* **Update on dispute resolution with UCU**
* **Appointment of Lisa O-Loughlin as designate Principal and CEO, with an update on subsequent progress**
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| **Item 2.** | **Strategic Discussions**  |
| **2.1 Strategic Plan***Submitted: Report (circulated in meeting papers)*Amanda Melton CBE (Principal and CEO) presented her report, which shared 7 priorities for a new Strategic Plan for the College Group, reflecting Board input and views gathered through the April strategic planning awaydays. The Principal noted that a strategic review led by the new Principal when in post would likely inform development with the Board of a 2023-2027 Strategic Plan. Members were in agreement that the refined priorities shared today gave a useful framework for the 2023/24 year. The Board noted that a supporting Key Performance Indicator (KPI) framework will be shared by the senior leadership team to set out progress against the priorities in-year, and highlight areas of risk or under-performance to support Board assurance and scrutiny. In discussions, the significance of the Office for National Statistics (ONS’s) review of the legal status of Colleges was acknowledged, with consideration being allowed for in a later agenda item and update today. Overall, there was a consensus to agree the 7 priorities for 2022/23, recognising that the overall approach should be to sustain the culture in the Group and quality of delivery and outcomes for learners, businesses and the economy. Board recognised the need for consideration in-year of any changes necessitated by the impact of factors such as the rising cost of living pressures and need for responsive controls. Board noted the Principal’s view that the key governance matters outside of usual scrutiny and approach in the next year will include Board consideration and decisions in the 2022/23 academic year in 3 key areas - around staff pay award for 2022/23, capital investment as part of further transformation at both College Group campuses, and approval of the Group’s involvement in the Lancashire Institute of Technology (IoT) which is expected to have significant governance and financial commitments.**Resolved: That the Board receive the update on the Strategic Plan and approve the 7 priorities for 2022/23****2.2 Strategic Finance – including Annual Budget and Financial Plan***Submitted: Report (circulated in meeting papers) and presentation in the meeting*David Rothwell (Deputy Principal – Finance and Resources) began the strategic discussion item by sharing his acknowledgement and thanks for the whole College approach to development of the annual budget and financial plan being considered today – particularly recognising the contributions of senior leadership team, including Sam Mercer and Claire Jarvis (Assistant Principals) and Andrew Dewhurst (CIO). The report presented for Board consideration the College’s projected outturn for 2021/22, proposed financial budget for 2022/23 and forecast estimates for 2023/24, with supporting commentary – all of which would be submitted to the ESFA by the 31st July 2022 deadline as required. It was noted that further refinement is needed ahead of the detailed submission, with the Chair having oversight, and no fundamental changes needed after review today by the full Board. Updated medium term strategic financial objectives were proposed, a sensitivity analysis of financial risks set out for review, and financial health self-assessment shared. The report was supported by a summary presentation in the meeting to highlight key areas for Board review and scrutiny. The headline position in relation to these areas, set out against finance KPIs, was noted to be as follows, with attention drawn to key areas of risk or where performance would be below the strategic target:Key aspects of the review and discussions in the meeting included:* Financial wellbeing swot analysis and key risks were set out and reviewed, building on discussions at the April Board strategic planning awayday
* The strategic financial objectives proposed for the 2021-24 period were noted to be substantially unchanged from those approved 12 months ago and agreed for a 3 year period. It was confirmed that the Board’s ambitions for growth had been reflected
* Key sensitivities for 2022-24 were set out, and considered by the Board to be realistic – with the red risk ratings in 3 areas explored and tested (AEB underperformance; shortfall in planned 16-18 FE learner numbers and capital programme risks given increased investment and projects)
* Key assumptions were set out for 2022/23, in relation to ESFA income, pay awards, staff volume saving, staff establishment occupancy, cost contingency and significant capital investment of circa £4mn net
* The College Group’s ESFA financial health category was confirmed to be projected to be ‘good’, with a target of good or better in the financial objectives - which will be re-visited at the mid-year reforecast, and following any strategic review
* A capital programme summary and investment was set out for 2021/22-2023/24, with updates on cash projections for 2021/22 and 2022/23 – including a 24-month rolling cashflow forecast

Board noted that the routine capital expenditure proposed at 4% of annual income to replenish capital base is above the sector average, reflecting the Board’s ambition for the highest quality facilities and resources for learners. A high-level breakdown of planned expenditure against all major capital projects was set out and considered, with cashflow implications clearly highlighted and it was agreed for further detail on projects and investment to be provided to the new Estates and Capital Committee, along with consideration of space availability should ambitious growth be achieved. Board noted that the forecast cashdays position falls below the strategic finance target of 75 days at some points in the next 24 months, and were likeminded with the Deputy Principal that this is not a sustainable position. The projection of good financial health continuing was tested, with Board noting there is a risk at the end of the 2022/23 year that the financial health grade reduces to ‘requires improvement’. Board remain assured that work continues to apply the new methodology to understand the position and take action to mitigate this possible movement to maintain good’ financial health. Overall, the Board expressed their ongoing confidence at the approach in place, and that a prudent position was being set out which will be actively managed in-year. **Resolved:** **That, having considered the key assumptions and risks, the Board:*** **approve the annual budget for 2022/23, forecast estimates for 2023/24, continued financial objectives and accompanying commentary for submission to the ESFA as part of the College Group’s CFFR return**
* **confirm the financial health self-assessment of the College as Good**

Within this actual and forecast operating context, the Board were asked by the Principal and Deputy Principal to consider the award of an additional 1.5% general pay award for all staff from 1st August 2022. The rationale and context for the award was set out by the Deputy Principal and Principal, including opportunities post-Ofsted, with realistic plans to ensure sustainability and maintain any necessary efficiencies. The Deputy Principal updated the Board on the joint trade union pay award ask of 10%, and the AoC recommended position on annual pay award, with Board acknowledging their continued ambition of matching the AoC recommendation. AoC was noted to recommend a 2.5% pay award for all staff and an additional non-consolidated payment of £750 for all staff paid less than £25k and £500 for all other staff earning up to a pay level to be set locally and reflect context. The Board acknowledged that a 3% pay award for 2022/23 had been budgeted by the College in financial plans subject to affordability, and that given previous Board approval meaning that 1.5% of this award had been approved previously to be brought forward and paid from April 2022, the recommendation today was for the balancing 1.5% to be approved for 2022/23, to bring the total annual value of the 2022/23 pay award up to 3%.The Board’s approach carefully considered affordability and the sustainability of the College, balancing this with the desire to pay and reward staff to the highest level possible within this context. It was noted that should learner recruitment uptake above planned levels, this may give the Board additional headroom and reduce the need and draw on contingency funds, so that the 2022/23 position could be considered again in-year. Given that the timing of the general pay award for 2022/23 had been made earlier than the usual January timing, and in 2 phases subject to approval today, the Board asked that communications continue to be carefully and clearly managed to support understanding. Communications should set out investment in staff through the year and the Group’s continued higher than average investment in staff, reflected for example by the College having a higher than average staff cost to income ratio. **Resolved: That the Board approve an additional 1.5% general pay award for all staff from 1st August 2022 onwards, which when joined with the 1.5% pay award already approved for implementation from 1st April 2022 onwards, brings the annual consolidated general pay award to 3% for 2022/23**The Board thanked the Deputy Principal for the thorough and transparent approach and report. **2.3 College Group Branding***Submitted: Report and presentation (circulated in meeting papers)*Following approval of the 16-18 Marketing Strategy at the May Board meeting, Jayne Wynne (Marketing Director) presented an update on 16-18 brand developments to deliver the approach agreed with Board. The brand development approach is being supported by an external agency, with briefing of staff to support its effective roll-out. As part of the strategic discussion today the Board considered the new brand hierarchy, differentiation between the branding of the 2 College sites, and also next steps. The Board welcomed the progression of a unified approach, which also underlined the differences between the 2 sites and different unique selling points and propositions.The Board were assured on the approach in place and its impact, and thanked the Director of Marketing for the report and continued pace in this area to support achievement of the Group’s growth ambitions.**Resolved: That the Board receive and note the strategic discussion item on College Group Branding** |
| **Item 3.** | **Principals Report – including Key Performance Indicators** |
| *Submitted: Report (circulated in meeting papers)*Amanda Melton CBE (Principal and CEO) presented her report, which followed a different style and approach given that this would be her last Board meeting ahead of her retirement at the end of July, and so shared her reflections on her time at the College Group. The report was accompanied by the usual KPI indicator update for Board consideration. The Board warmly thanked Amanda for her report, and looked forward to the opportunity to celebrate her time and impact at the College with her following the end of today’s meeting. **Resolved: To receive and note the Principal’s Report, including updated Key Performance Indicators (KPIs)**  |
| **Item 4.** | **Items to receive/note/approve** |
| **4.1 Annual Prevent and Safeguarding Report 2021/22***Submitted: Report (circulated in meeting papers)*Tracey Baron (Deputy Principal – Curriculum and Quality) presented the annual report in this key statutory area for Board oversight and assurance. The Board asked that their thanks for the report and ongoing approach in this area be shared with Leyanne Fitzmaurice (Director of Learner Services) and her team, recognising again the very positive reflections on the College Group’s approach to safeguarding and prevent evidenced in the recent Ofsted inspection outcome.The report and discussions within the meeting included:* A recap of the Board’s responsibility and oversight for Prevent and safeguarding
* An update and assurance on the Single Central Record (SCR) and its accuracy, with confirmation that there has been no referrals to the LADO this academic year
* Mandatory training availability and uptake for both staff and Board, with additional time included in forthcoming CPD days for staff in this area
* Assurance on the effectiveness of safeguarding arrangements, with headlines provided on overall activity and by learner type and priority groups e.g. looked after children – with Board noting an increase in referrals this year of +125 students compared to last year and +167 to the previous year, and a significant increase of 50% in the number of safeguarding interventions since the previous year
* Emerging themes, with a focus on growing mental health need and support, with the College’s Executive Director for Learner Services recently appointed as the Senior Mental Health Lead for the College Group, undergoing specialist DfE training, and developing the specialist skills and knowledge needed to ensure an effective whole College approach
* Learner voice, broken down by young people, high needs, adults and apprentices – and all responses showing a very positive quartile A position
* An update on the arrangements and their impact in relation to sexual violence and harassment, including the very pleasing recognition by Ofsted in their recent inspection report that the College Group has created a culture where issues are recognised and responded to appropriately

In relation to the increased volume of interventions and number of students supported, the Board explored the reasons, including the continued impact of Covid-19 on mental health, and were assured on capacity within the team to offer continued support. It was agreed that the Board would find the staff newsletters on Prevent and Safeguarding a helpful update, so they will be routinely copied or made available to them by the Director of Governance. The Board thanked Emma Schofield (Board member) for her time, energy and input in this area to date as lead Governor for safeguarding and Prevent, and it was agreed that Steve Campbell will pick up this responsibility moving forward, and was thanked for his support and commitment.**Resolved:** * **To receive and note the Annual Safeguarding and Prevent Report 2021/22, and assurance within**
* **To thank Emma Schofield for her time, commitment and expertise as lead Governor for Prevent and Safeguarding, and appoint Steve Campbell into this role moving forward**
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|  | **4.2 Annual Subcontracting Report 2021/22***Submitted: Report (circulated in meeting papers)*Sam Mercer (Assistant Principal – Planning and Performance) presented the report which presented for Board consideration and approval a Subcontractor Fees and Charges Policy for 2022/23, and plan for subcontracting arrangements for the 2022/23 academic year. The Assistant Principal confirmed that the Subcontractor Fees and Charges Policy for 2022/23 has been reviewed and updated to ensure compliance with ESFA subcontracting requirements for 2022/23. The plan for subcontracting for 2022/23 proposed subcontracting with five organisations across four activity lots – with a total proposed value of subcontracted delivery for 2022/23 of £1.485m, of which £278k would be retained to cover the costs of the College Group’s role in assuring the quality of the provision, management arrangements and data assurance arrangements. The Board recognised that while there are no new subcontractors proposed, the overall value of activity is increasing and Board both tested and were assured on the rationale and any implications or risks around this. The Assistant Principal confirmed quality assurance arrangements in place, and that the level of management support varies to reflect the capacity and support needed to ensure quality.Following consideration, the Assistant Principal was thanked for the report, and:**Resolved: That the Board receive the Annual Subcontracting Report 2021/22, and*** **approve the subcontracting arrangements which are proposed for 2022/23**
* **approve the Subcontracting Policy for 2022/23**
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|  | **4.3 Governance Report***Submitted: Report (circulated in meeting papers)*Debbie Corcoran (Director of Governance) presented the report, which confirmed the application of the College Seal to the advanced digital skills contract with Medlocks, at a value of £1,043,314.87 exc. VAT. Recommendations were set out for consideration in relation to Corporation membership, including supporting information, and a rationale provided and considered where a term of office would exceed the usual best practice of a maximum of 8 years. David Whatley left the meeting while members considered his term of office, and then returned.Following due consideration:**Resolved: That the Board receive the Governance Report and:*** **note the application of the College Seal since the previous Board meeting to the advanced digital skills contract with Medlocks, at a value of £1,043,314.87 exc. VAT**
* **approve the appointment of Cathy Eulert as a Board member with an initial term of office ending 31st July 2023, and including membership of the Quality and Standards Committee**
* **delegate authority to the Chair, subject to a satisfactory interview, to appoint Peter Nangle as a co-opted Committee member of Quality and Standards Committee, with an initial term of office ending 31st July 2023**

Chris Smith gave apologies and left the meeting. |
| **4.4 Policies for Approval***Submitted: Report (circulated in meeting papers)*Claire Jarvis (Assistant Principal – Finance and HR) presented the 2 policies for Board consideration and approval: Fees Policy 2022/23 (including HE Fees for 2023/24) and Bursary Policy 2022/23. Changes since previous years policy were highlighted and explained for Board consideration. In relation to the Fees Policy, the Assistant Principal was asked to explain the rationale for the fees increase for HE, relationship between the fee and income, and any likely impact on demand or take-up. On the Bursary Policy, the Board were assured that recommendations from the recent internal audit into this area had been incorporated, with the increased value of support reflecting cost of living increases and reflecting the College Group’s ambition to support those most in need to study and progress. **Resolved: That the Board approve:*** **the Fees Policy for 2022/23, including HE fees for 2023/24**
* **the Bursary Policy for 2022/23**
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| **4.5 Committee Minutes for assurance***Submitted: Report (circulated in meeting papers)*Following consideration, the Board received and noted the following minutes for assurance, with inputs from the Committee Chairs to draw out areas of interest, risk or concern:**Resolved: To receive and note:*** **Approved minutes from the Quality and Standards Committee meeting of 20th April 2022**
* **Approved minutes from the Audit Committee meeting of 11 March 2022**

David Whatley (Chair of Audit Committee) and David Rothwell (Deputy Principal – Finance and Resources) presented the recommendation that following a recent competitive tendering exercise overseen by the Audit Committee, the Board approve the appointment of Wylie Bissett as internal audit service for the College Group for 2022/23 onwards, at a cost of £15,050 excluding VAT. The Board were assured on Wylie Bisset’s expertise and capacity, and after consideration, the appointment was approved.**Resolved: To approve the appointment of Wylie Bisset as the internal audit service for the College Group on a 3-year contract, at a fee of £15,050 excluding VAT** |
| **Item 5.** | **Any Other Business** |
| There were no items of any other business. |
| **Item 6.** | **Review and reflections on the meeting against Group values** |
| Emma Schofield (Vice Chair) invited reflections from Board Members and leadership team on today’s meeting, decisions and ways of working against the Group’s values. Feedback included that the pace of discussions and use of online e-governance supported members feeling energised in discussions, with lively and interesting discussions that are focusing on key strategic priorities and areas of risk or opportunity.With this, the Chair thanked members for their attendance and inputs, and the formal meeting was closed. |
|  | Following the formal Board meeting, a farewell to Amanda as Principal and CEO was held – with the Board wishing to formally record their thanks her for her outstanding service and impact in the College Group, and sharing their best wishes for her retirement and next steps. |

**Debbie Corcoran**

**Director of Governance**

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

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