

**FURTHER EDUCATION CORPORATION MEETINGS 2022/23**

**MINUTES OF THE FURTHER EDUCATION CORPORATION MEETING**

**Held at 5pm on Monday 3rd July 2023**

**Accrington and Rossendale College, Room AC115 (BB5 2AR)**

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| **Board Members present:** | Phil Wilkinson (Chair), Lisa O’Loughlin (Principal and CEO), Chris Smith, Tom Gee (Staff Governor), Steve Campbell, Zulfi Khan, David Whatley, Helen Curtis, Nadeem Rashid and Gemma Marsh |
| **In attendance:** | Tracey Baron (Deputy Principal – Curriculum and Quality)  David Rothwell (Deputy Principal – Finance and Resources)  Andrew Dewhurst (Chief Information Officer)  Claire Jarvis (Assistant Principal – Finance and HR)  Sam Mercer (Assistant Principal – Planning and Performance)  Morag Davis (Assistant Principal – Technical Curriculum)  Jayne Wynne (Director of Marketing)  Fionnuala Swann (Assistant Principal – Academic)  Andy Parkin (Assistant Principal – LAL)  Debbie Corcoran (Director of Governance) |

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| **Item 1.** | **1.1 Welcome and apologies for absence**  Phil Wilkinson (Chair of the Corporation) welcomed everyone to the meeting. Apologies were received from the following Board members: Liz Sedgley, Melissa Conlon, Gillian Sharples (Staff Governor) and Simone Hartley-Gott (Student Governor). The Director of Governance confirmed in relation to membership, that under Chair’s action the starting date of Christine Kenyon’s term of office as a Board member had moved to the 1st September 2023.  The Board noted that today’s Corporation meeting had been immediately preceded by a Board workshop on the Strategic Review and 2030 Strategic Plan, the outcomes of which would be summarised along with next steps under item 2.1 today.   * 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. Helen Curtis declared a historic working relationship with Joanne Platt, relating to agenda item 3.3, which the Board noted for complete transparency, and which would not exclude Helen from decision-making.  **1.3 Minutes of the Previous Corporation Meeting (17th May 2023)**  *Submitted: Draft minutes (circulated in meeting papers)*  The minutes of the Board meeting of 17th May 2023 were reviewed by the Board, and it was noted they included a reserved minute which had not been shared with Steve Campbell due to the conflict of interest noted in the meeting. The minutes were approved as an accurate record, for the signature of the Chair.  **Resolved:** **That the Board of Corporation approve the minutes of the Corporation meeting on 17th May 2023, including the confidential minute within**  **1.4 Matters Arising**  *Submitted: Reports (circulated in meeting papers)*  The matters arising log was reviewed and the current position was noted.  **Resolved:** **That the Board of Corporation receive and note the matters arising log** |
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| **Item 2.** | **Strategic Planning** |
| **2.1a Strategic Review Outcomes and the College Group Strategic Plan 2030**  *Submitted: Report and presentation (circulated in meeting papers)*  Lisa O’Loughlin (Principal and CEO) presented the report and summary slides, which offered Board members a summary of the Strategic Review findings for discussion and consideration, in addition to a proposed Strategic Plan for 2030.  The Board noted that the Strategic Review and resulting Strategic Plan had been shaped by discussion, debate and emerging decision-making gathered at the Board Strategy events on the 24th April and on the 16th and 17th May 2023. If approved today, the Plan will be used as the basis for consultation with internal and external stakeholders. Following this consultation, an iterated version would then be produced in the form of a public document, outlining the college’s 2030 Strategic Vision and Strategic Objectives and also act as a framework for the development of clear Key Performance Indicators (KPIs) for the strategic plan period, for approval by the Board.  The Board welcomed that the Plan had been structured to allow the possibility of Group level, College level and enabling team level strategic planning and stakeholder engagement. It was noted that themes are repeated throughout the document to ensure consistency of message and intent in all our Colleges, to support the proposed new ambition – *‘To create high-quality routes into high-value Professional and Technical careers, both regionally and nationally, for all our learners’*. Members welcomed that the Plan has been informed by full consideration of macro-economic pressures, the national funding and policy landscape, the regional education participation and economic data and the Group’s performance in the previous strategic planning period.  Key themes throughout the Plan were considered, including the development of ‘Centres of Excellence’ or Academies for curriculum areas at both Nelson and Colne College and Accrington and Rossendale College - supported by a proposed strategy for adult technical education and integration of 16-18 and adult technical education. In line with national and local priorities, the Board welcomed that the Plan also incorporates the intention to develop a strong employer co-creation strategy, branding strategy, capital strategy, people strategy and estates masterplan. The Board noted that the Group’s digital transformation strategy is already well developed and making excellent progress, therefore the Plan draws upon the existing Digital Transformation Strategy shared with Board in May 2022.  Members supported the proposal that given the success of the College’s existing values, common purpose architecture and curriculum intent, these should be retained in the new 2030 Strategic Plan. It was welcomed that this created a ‘bridge’ from the successes of the previous plan with regard to culture and quality, whilst introducing new expectations in relation to the wider strategic intent, implementation and impact.  The Board tested and were assured on the strong fit and read across from the College’s 2030 Strategic Plan to the Lancashire 2050 Vision and the Lancashire Skills Implementation Plan (LSIP), while reflecting the Group’s own curriculum intent. The Board noted that the leadership team are developing more detailed plans to support the successful execution of the Strategic Plan, and that these will be considered at the scheduled strategic workshop for Board in September, and cover areas such as:  • Proposed new curriculum roles, structures and change plans  • Financial plans and KPIs  • Quality plans and KPIs  • Qualification Reform and curriculum development /change plans and KPIs  • A new People Strategy  • A new Estates Masterplan  • An iterated Digital Transformation Plan  Key enabling structural changes were noted to be underway, with a new senior leadership team (SLT) structure shared with the Board, and noted to include changes to three existing SLT roles and one Curriculum Leadership Team (CLT) role, as well as the introduction of a new role ‘Vice Principal Marketing and Commercial’. It was noted that there are no changes proposed to Senior Post Holder (SPH) roles for Board consideration. The Principal outlined the focus and added value of the new ‘Group Executive Director – Technical Education Strategy Change and Transformation’, particularly in response to qualification reform and ambitions around growth in T levels. The Board recognised that achieving growth ambitions and strengthening technical education requires an incremental approach, and that the Strategic Plan must set out a clear, measurable and realistic framework for action and impact. Board asked that in relation to employer engagement, there is clarity on the approach and measurable impact. It was noted that further consideration continues in relation to apprenticeships, and that this will be further developed and shared as part of updates to the Board.  Reflecting on discussions in the workshop preceding the Board meeting, members asked and were assured on both the capacity of the team to deliver the Plan, and that there was ownership and consensus amongst staff supporting the approach and direction of travel set out.  The Chair and Board thanked the Principal and the senior team for their work to develop a robust and focused Strategic Plan framework for 2030 that reflects the Board’s ambitions, national and local priorities and needs, and has been built through consensus and strong engagement with our staff.  **Resolved: That the Board of Corporation:**   1. **receive and note the summary of the Strategic Review outcomes** 2. **approve the draft 2030 Strategic Plan, including vision, values, strategic curriculum intent and strategic themes** 3. **approve that following consultation with stakeholders and staff, the 2030 Strategic Plan framework be used to develop detailed operational plans and Key Performance Indicators (KPIs) for Board approval**   **2.1b Nelson and Colne College Group Accountability Agreement 2023/4**  *Submitted: Report (circulated in meeting papers)*  Lisa O’Loughlin (Principal and CEO) drew attention to the revised Accountability Agreement for the College Group, shared in today’s pack. The revised Accountability Agreement had been developed following approval of an initial draft at the 17th May Corporation meeting, and its submission to the Department for Education (DfE) following Chairs action to support its refinement in line with Board feedback.  The Board welcomed the further development of the Agreement, including the addition of further contextual information and detail on partnerships, and consideration of Board feedback shared in May. Following the review, the Board thanked the Principal and senior leadership team for the further development of the document, and it was approved for submission as a final version subject to any final refinements requested by the Board being closed off through Chairs action if required, following the meeting.  **Resolved: That the Board of Corporation receive and approve the final 2023/4 Accountability Agreement for Nelson and Colne College, and its submission to the Department for Education (DfE), with any final refinements required following Board feedback today to be completed under Chairs action**  **2.1c Key Performance Indicators (KPIs)**  *Submitted: Report (circulated in meeting papers)*  Lisa O’Loughlin (Principal and CEO) presented the KPI Dashboard as at end of May 2023, for Board review and scrutiny. Board noted that while the dashboard represents the College’s current and projected performance, a number of key performance indicators, particularly those relating to student outcomes are not yet reportable due to the timing of data availability. Board in particular considered any indicators RAG rated as red, which in this dashboard related to Group GCSE maths high grade pass rate 16-18, Group 16-18 attendance 16-18, 16-18 new applications to College and recruitment of 16-18 learners and apprentices. In the report and discussions, the Principal and leadership team drew out areas of strength, and updated on actions to address under-performance against targets and mitigate related risks.  **Resolved: That the Board of Corporation receive and note the Key Performance Indicators (KPIs) Dashboard**  **2.2 Strategic Finance**  *Submitted: Report (circulated in meeting papers, and supporting presentation)*  **Annual Budget and Financial Plan**  David Rothwell (Deputy Principal – Finance and Resources) presented the report and summary presentation for Board consideration, with both setting out the College Group’s projected outturn for 2022/23, the proposed financial budget for 2023/24 and forecast estimates for 2024/25.  The resultant key performance indicators (KPIs) from financial planning were noted to be as follows:    In relation to the 2022/23 year, the Board noted that the final forecast for the current year does not differ materially from the last financial update provided to the Board. Members noted that there is a slight reduction to forecast EBITDA (from 3.5% to 2.6%), mainly as a result of a reduction in income (£165k – 0.4%). An increase in staff costs (£159k – 0.7%) was noted and resulted in a small downturn in the forecast staff costs ratio from 70.8% to 71.5%. The Deputy Principal confirmed that on this basis the outcome of the financial health assessment by the Education Skills Funding Agency (ESFA) will be a ‘good’ rating. It was noted that bank covenants would not be breached, with the College’s banker issuing a waiver letter recognising exceptional inflationary pressures, particularly in relation to energy costs. The Board noted the sensitivity around Adult Education Budget (AEB) income, with the forecast outturn of 103% of budget potentially resulting in an additional £300k+ which could increase EBITDA to 3.4%.  The Board considered the proposed financial budget for 2023/4, and received more detailed key assumptions and risks/sensitivities in the supporting presentation. Members noted that the approach being taken was prudential, drawing on professional judgement and experience – with a ‘bottom up’ and participative approach to planning. The Deputy Principal acknowledged and thanked Samantha Mercer, Claire Jarvis, the leadership team and finance colleagues for their contributions to development of the budget.  In discussions, while the Board welcomed that the overall financial health position of the College Group was forecast to remain as ‘good’ in 2023/4, it was recognised that this was mainly due to the strength of the balance sheet, with the EBITDA and staff costs ratio pointing to an underlying performance that continues to be ‘Inadequate’ rather than ‘Good’ in relation to the EBITDA measure according to the ESFA criteria.  The Board closely considered the projected staff costs for 2023/24, against a position of relatively static income. The Deputy Principal set out the most material adjustments/assumptions included for expected changes in relation to staff costs. It was confirmed that no assumption had yet been made for the potential savings of the new support staff pension scheme and no specific pay award provision has been made – with any agreed pay award having to be funded from the general contingency/further savings. The Deputy Principal confirmed that local pay negotiations have begun, with an update to be received at a future Board meeting, with continued close consideration in relation to affordability given income and recruitment. Cash levels were noted to be forecast to reduce from 143 days to 99 days during the period because of the ongoing major capital investment.  In relation to 2024/25, the Board received and considered detailed key assumptions and risks/sensitivities – along with projections for EBITDA, staff costs, income, pay and non-pay costs. Financial health was noted to be forecast to be ‘good’, with cash forecast to further reduce by £2.3m (from 99 days to 73 days) during the period as a result of the ongoing major capital investment. Income was projected to remain broadly the same as the previous year.  The Deputy Principal confirmed that the financial planning presented is reflective of the ongoing major capital programme and proposed future Strategic Investment Reserve (SIR) funded investment, as outlined at the Board Away Days event in May. Following on from c£5.0mn projected major spend in the current 2022/23 year, the financial plan was noted to provide for a further £9.1mn of major capex spend over the next two years, with the £5mn ring-fenced SIR assumed to be fully expended by the end of July 2025; c£3.5mn of which is now contractually committed. The Board was assured that having regard to other key variables including operating cash flows (re EBITDA performance), the overall financial planning indicates that £5mn SIR investment can continue to be accommodated within the key solvency financial objective of maintaining =>75 cash days during the planning period. In addition to the major capital projects programme, the financial plans were also noted to include provision for continued funding of a routine capital programme focussed on asset life cycle maintenance, minor works and equipment, set at c4% of annual operating income. In discussions, the Board tested the affordability of the proposed programme, and were in agreement to continue to support the programme’s ambitions, however solvency requires careful monitoring and management going forward to remain within the key solvency financial objective agreed with the Board.  Members were assured by the Principal and Deputy Principal that there is capacity within the currently unallocated budget of the SIR and forward approach to support the ambitions of the Board in relation to technical education. An update was provided on likely availability of capital funding from central government. It was noted that the potential c£10mn capex Public Sector Decarbonisation Scheme (PSDS) is not incorporated into the major capital programme/financial planning at this stage, reflecting uncertainty as to whether the project will proceed further.  The Board reviewed the proposal that financial objectives remained current and should continue forward for the period up to 31 July 2024. The Deputy Principal updated on the ESFA’s move to an EBITDA-based assessment for repayment of Restructuring Facility (RF) grant, and related considerations and implications.  **Resolved: That following due consideration, including key assumptions and risks, the Board of Corporation:**   1. **approve the annual budget for 2023/24, forecast estimates for 2024/25 and accompanying financial objectives for submission to the ESFA as part of the College Financial Forecasting Return (CFFR) return.** 2. **Confirm the financial health self-assessment of the College as Good.**   **Insurance Tender and Appointment**  Finally, within the report, the Board received an outline from the Deputy Principal of the tender process undertaken to secure provision of insurance for 2023/4, which had been supported by consultancy expertise to assist with tender preparation and evaluation. The Board noted that the approach had been underpinned by a new professional valuation (for insurance purposes) of all the College’s buildings (up to c£121mn from c£90mn in 2018) and the resulting award of the contract to FE Protect, and the associated costs and cover resulting.  **Resolved: That the Board of Corporation receive the insurance tender update, noting the 2023/24 contractual award to FE Protect** |
| **Item 3.** | **Items to Receive/Note/Approve** |
| **3.1 Annual Prevent and Safeguarding Report**  *Submitted: Report (circulated in meeting papers) and presentation tabled in the meeting*  *Leyanne Fitzmaurice entered the meeting.*  Leyanne Fitzmaurice (Executive Director Learner Services) and Steve Campbell (Board member and Lead for Prevent and Safeguarding) presented the annual report on Prevent and Safeguarding to the Board for consideration. The report, and supporting slides, set out for Board members review a summary of safeguarding and prevent activity from 16th August 2022 to 2nd June 2023. Areas covered, reviewed and considered in the meeting included:   * The single central record (SCR), with the report updating on the SCR’s regular review by Steve as the Board lead, and areas of refinement identified - an overview and update was shared on a referral to the Local Authority Designated Officer (LADO), along with the satisfactory outcome of this and learning in place which included revisions on support and screening of agency staff * Training – including completion rates of mandatory training, and the rigorous monitoring and approach to support compliance * Safeguarding activity and impact – including consideration of intervention volumes and analysis, plus the support, intervention approach and retention of students in priority groups such as children in care and care leavers * Emerging themes – including a continued increased demand and need for mental/emotional health support for students, and resulting changes in the College’s approach – plus themes around homelessness, domestic violence, gang and youth violence and bullying (including cyber), all of which have been included in tutorial or other pop up learning or guest speaker activities * Learner voice – with Board pleased to see a continued strong position in learner feedback through QPD surveys, with all areas being above national external benchmark and areas such as understanding of extremism and radicalisation extremely high * E-safety, with particular areas of focus and development in the current academic year noted to be: cyber essentials accreditation and audit, independent penetration testing, two factor authentication for students and staff, Phishing awareness and ongoing monitoring of firewalls using SENSO software * Prevent – with the Board being notified there had been 2 student referrals to Prevent, and one through an external referral by the police – and the approach and latest position provided * Prevent action plan – Board were assured of continued review, monitoring and improvement – and update given on the current focus on critical incidents to ensure estates are safe, secure and mitigate risks   In relation to Prevent, Board welcomed the pro-active approach in place to preparations assumed in the current consultation on Martyn’s Law and the collaborative audit planned early in 2023/4 utilising the Counter-Terrorism Unit risk assessment process to support self-assessment and development of an action plan for best practice. Board were updated on anticipated and known changes to legislation and their inclusion in development and training, such as the 2023 Keeping Children Safe in Education (KCSIE) update and changes in the legal age of marriage to 18.    In relation to impact, Steve Campbell shared insight and value gained from his regular links with the Executive Director and team, including the introduction of a termly report to update him; areas of professional discussions given his expertise in safeguarding and prevent in school settings, and also the value of incidental updating in areas for example such as LADO referral. The Board thanked Steve for his continued and pro-active support and the impact being achieved in this area. The Board asked and were assured on the team’s capacity to effectively respond to the ever-developing and critically important agenda, so they can maintain the high standards they demonstrate.  In relation to Board member’s mandatory training in Prevent and safeguarding, it was confirmed that the Executive Director and Director of Governance have reviewed and reshaped requirements in place, which will be shared with the Board and continue to be progressed.  The Executive Director was thanked for her and the teams continued work in this area, and informative report.  **Resolved: That the Board of Corporation receive and note the annual Safeguarding Report**  *Leyanne Fitzmaurice left the meeting.*  **3.2 Annual Subcontracting Report**  *Submitted: Report (circulated in meeting papers)*  Samantha Mercer (Assistant Principal – Planning and Performance) presented the report which offered a Subcontractor Fees and Charges Policy for 2023/24 for approval - updated to ensure compliance with revised requirements in the ESFA’s guidance - and a plan for subcontracting arrangements for the 2023/24 academic year.  The Board considered the proposal of sub-contracting across four activity lots in 2023/24 to a value of £1.333mn. It was noted that £221k of this will be retained to cover the costs of the Group’s role in assuring the quality of the provision, management arrangements and data assurance arrangements. Members welcomed that this is a reduction in the Group’s planned subcontracted delivery from 2022/23, which was £1.647mn. In discussions, the Board were assured that sub-contracting is used only where it can add value and by exception, with the direction of travel being to reduce it further in the 2024/25 year.  **Resolved: That the Board of Corporation receive the report and:**   * **Approve the Subcontracting Policy for 2023/24** * **Approve the subcontracting arrangements proposed for 2023/24, all of which are a continuation of arrangements in 2022/23**   **3.3 Governance Report**  *Submitted: Report (circulated in meeting papers)*  Debbie Corcoran (Director of Governance) presented the report which shared that following Board approval at their 17th May 2023 Corporation meeting, Search Committee had progressed selection of an external reviewer to complete an external governance review of the Corporation and College and now recommended the appointment of the Association of Colleges (AoC) and their reviewer Joanne Platt. Joanne’s extensive background was shared and noted, with the total cost of the review being £6,900 excluding VAT and expenses. The Board noted that if approved, an update on milestones and process would be provided at their September planning day.  The Director of Governance and Search Committee were thanked for their work to progress, and the appointment was approved.  **Resolved: That the Board of Corporation:**   1. **receive the recommendation from Search Committee and appoint the Association of Colleges (AoC) external governance reviewer Joanne Platt to complete an external governance review of the Corporation and College** 2. **approve the budgetary cost for the project**   The Director of Governance asked the Board to formally note Chairs action progressed since the last Corporation meeting. This had seen the issue a letter of intent to Pearson Fraser, for onwards submission to Seddon Construction, in respect of the capital works programme for the Hameldon building at Accrington.  The report explained that as with the major works programme at Nelson site, Seddon’s Construction are also the recommended preferred contractor for Hameldon building. The challenging design finalisation process, complexity of the project and delay in timescales had necessitated a letter of intent which allowed Seddons to commence strip out works/place orders for long lead in materials etc up to a financial limit of £423k inc. VAT. During the period of time covered and allowed by this letter of intent, it was confirmed that the team will finalise the design detailing and draw together a full contract document and cost summary, which the Deputy Principal Finance and Resources confirmed will be in line with budgetary allowances for the project.  **Resolved: That the Board of Corporation note the use of Chairs action on a letter of intent to Pearson Fraser, for onward submission to Seddon Construction, allowing Seddons to commence strip out works/place orders for long lead in materials in relation to the capital works programme at Hameldon building, up to a financial limit of £423k inc.VAT, and ahead of full finalisation of total project costs**  **3.4 Triple A Committee Escalation and Assurance Report**  *Submitted: Report (circulated in meeting papers)*  Debbie Corcoran (Director of Governance) presented a new Triple A (alert, assure, advise) report relating to Board Committee meetings. The Board welcomed the new approach and concise sharing of key information from Committee meetings, inviting Committee Chairs to talk to their section of the report and highlight key points. The report covered the following meetings: Quality and Standards Committee (5 June 2023); Capital and Estates Committee (15 June 2023) and Audit Committee (22 June 2023). Recommendations were received, considered and approved from the Audit Committee.  **Resolved: That the Board of Corporation:**   * **Receive and note the triple A report and related recommendations from the following Committee meetings: Quality and Standards Committee (5 June 2023); Capital and Estates Committee (15 June 2023) and Audit Committee (22 June 2023)** * **Approve, on recommendation of the Audit Committee:**  1. **The 2023/4 Internal Audit Plan** 2. **The Audit Plan for the year ending 31 July 2023**  * **For unapproved and approved minutes of Committee minutes covered in triple A’s to be made available either in the OnBoard e-governance system, or with the Triple A report itself if available**   **3.5 Policies for Board Approval**  *Submitted: Report (circulated in advance of Corporation papers)*  The Board welcomed that as there was a number of polices for their consideration, they had been uploaded and made available for review in OnBoard ahead of meeting papers being shared. This early issue had given time for a fuller review and the opportunity to raise questions or queries with the Director of Governance ahead of the formal Board meeting. The Director of Governance confirmed no queries had been raised to share with the leadership team, and the policies were approved.  **Resolved: That after due consideration, the Board approve the following policies:**  **Fees Policy 2023/4; Bursary Funds Policy 2023/4; Equality Diversity and Inclusion (EDI) Policy; Student Complaints Policy; Higher Education (HE) Policy; HE Refund and Compensation Policy; Information Security Policy and Data Retention Policy.** |
| **Item 4.** | **Any Other Business** |
| The Chair and Board took the opportunity to formally thank Simone Hartley-Gott (Student Governor) for her contributions as a Board member, and wished her well with her next steps as her studies with the College and term of office ended.  There were no items of any other business. |
| **Item 5.** | **Review and Reflections on the Meeting Against Group Values** |
| The Chair thanked the Corporation and senior team for their contributions to both the Board meeting, and earlier workshop. Reflections were invited from Board Members on today’s meeting, decisions and ways of working against the Group’s values. Feedback included that the triple A and approach to policies had helped the Board move through items at pace. The balance of items was positive, with a strong strategic focus.  With this, the Chair thanked members for their attendance and inputs, and the meeting was closed. |

**Debbie Corcoran**

**Director of Governance**

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

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