

EALING, HAMMERSMITH AND WEST LONDON COLLEGE FE CORPORATION MEETING

Date	21 May 2020	Time	18.00
Venue	Meeting held remotely due to COVID-19		
Chair	Ian Comfort		

Present: Ian Comfort; Karen Redhead; Callum Anderson; Peter Chapman, Cllr Yvonne Johnson; Matthew McMahon; Shawez Mir; David Paine; Christopher Saul; Maria Vetrone; Phillip Kerle
In attendance: Anil Nagpal (Executive Director, Finance & Resources); David Round (Clerk to the Corporation/Director of Governance), David Warnes (Deputy Principal Business Development and Marketing); James Taylor (Deputy Principal, Curriculum and Quality); Sara Woodward (Assistant Principal Quality and Student Services); Ian Paxton (ESFA Observer); Ra Hamilton-Burns (Governance Advisor)

No.	Minute	Action
1.	<p>Governance Matters</p> <p>Ian Comfort welcomed James Taylor, Deputy Principal, Curriculum and Quality, to his first meeting.</p> <p>Ian Comfort confirmed that the meeting was quorate.</p> <p>1. Appointment of Becky Cauldwell. The appointment of Becky Cauldwell for a period of two years had been recommended by the Search Committee. She will join the Finance and General Purposes Committee.</p> <p>RESOLVED: THE BOARD RESOLVED TO APPOINT BECKY CAULDWELL FOR A PERIOD OF TWO YEARS UNTIL 20.05.22</p> <p>(ii) Discussion of DfE suggestion in the guidance note of 15 May 2020¹ that boards should form a governance and leadership committee or working group to oversee re-opening of colleges.</p> <p>David Round read the following extract from the guidance document:</p> <p><i>‘Consider establishing a coronavirus governance and leadership group which meets regularly to monitor the board approved plan and consider any required adjustments and/or circumstances that may have arisen that require an immediate policy response. The group’s membership, role and relationship to the full board should be agreed by the board, along with regular reporting protocols This group would monitor progress against the plan and be advised of decisions</i></p>	

	<p><i>that may be required to be taken by the Principal and senior leadership team SLT. It should include the Head of Health and Safety and the designated safeguarding lead. The group needs to consider financial implications and direct as appropriate. Consider extending the role of the Health and Safety committee and their responsibility. Provide a clear line of accountability for decision making.'</i></p> <p>Karen Redhead explained that she had discussed the proposal with David Round, and they had concluded that, from a College leadership team perspective, it would not offer any additional support not currently being provided by the existing Board structure. Matthew McMahon asked if there was any indication of whether this was guidance or had an element of implied instruction. RHB reported that at a meeting, which included several experienced national clerks, that morning the consensus was that Boards would not implement a specific committee or group for these matters but use current college board arrangements. Members discussed the options and concurred that the West London College Board arrangements provided appropriate and ample opportunities to review plans and issues surrounding the impact of COVID-19.</p> <p>AGREED: THE BOARD AGREED THAT ALL COVID-19 MATTERS WILL BE DEALT WITH THROUGH EXISTING COMMITTEES OR BY THE MAIN BOARD RATHER THAN CREATE A DISCRETE WORKING PARTY.</p>	
2.	<p>Apologies for absence and other matters</p> <p>Roslyn O'Garro and Abs Malik, ESFA observer had sent apologies. Ian Paxton from the ESFA attended. Kairah Lewis-Rowe and Luis Miguel Andrade Veiga did not attend.</p> <p>Ian Comfort asked if there had been any communication from the two student governors and David Round confirmed that there had not but agreed to follow this up after the meeting.</p>	
3.	<p>Declarations of Interest</p> <p>Cllr Johnson declared that she is deputy leader of Ealing Council.</p> <p>Matthew McMahon declared that his wife is a senior manager at BDO LLP¹.</p>	
4.	<p>Minutes of the Corporation meeting held on:</p> <p>(i) 26 March 2020</p> <p>AGREED: MEMBERS AGREED THAT THE MINUTES OF THE MEETING HELD ON 26 MARCH 2020 WERE A TRUE AND ACCURATE RECORD.</p>	
5.	<p>Matters arising</p> <p>The matters arising report which tracked actions from previous minutes and other items carried forward was received and noted.</p>	

¹ <https://www.bdo.co.uk/en-gb/home>

	<p>6.5 Management accounts – the January 2020 management accounts to be presented as Item 6.7i include forecasts which reflect the impact of COVID-19.</p> <p>Item 7.1 – Facility agreement update and resolution. David Round reminded the Board that the DFE is pressing the College to execute several documents required under the Facility Agreement i.e. Legal Charge and Deed of Priority. The DFE insists that only wet ink signatures with the seal affixed are acceptable. The College has not been able to do this to date because of social distancing rules and the advice against travel by public transport. The DFE has suggested that two governors meet ‘outside’, 2 meters from each other to witness the application of the Corporation seal. The College has taken the position that this will be done when the guidance permits, and an appropriate risk assessment has been undertaken. The College is not willing to expose any governors and College staff to risk. A potential meeting at an appropriate distance was discussed by Karen Redhead and David Round and will be arranged when suitable.</p> <p><i>Ian Paxton and Peter Chapman joined the meeting at 18.17.</i></p> <p>Item 7.1a Corporation Seal David Round explained that to facilitate future issues in affixing the corporation seal, he has commissioned a duplicate seal ‘number two’. He sought the agreement of the Board that this second seal is appropriate and will be used as the official seal of West London College.</p> <p>It was duly reported that that Corporation Seal No 2 has been obtained and it is RESOLVED that Corporation Seal No 2, an impression of which is included in the margin of this document, be and is approved and adopted as the Corporation Seal of Ealing, Hammersmith and West London College FE Corporation and that the rules regarding its use shall be as set out in Instrument 19 of the Instruments and Articles of Government.</p>	
6	STRATEGIC REPORTS	
6.1	<p>CEO’s report Karen Redhead presented and focussed on the following highlights:</p> <p>FEC intervention – the January 2020 stocktake visit report was attached to the paper and records pleasing progress. Ian Comfort discussed the comment in the report that he might not have enough time to commit to the role of Chair, he invited members’ views and offered to act if required. Members asked if this had been discussed during the meeting and agreed that this was not currently an issue. Governors commented that it was possibly triggered by Ian Comfort not being available on the day of the visit.</p>	

Recommendation 6. Peter Chapman asked if the requirement that the Board should negotiate a revised repayment profile for the ESFA loan following the sale of the Southall site had been completed. Karen Redhead explained that this is an outstanding action and she had been asked by the ESFA to make a proposal on the repayment. She suggests that the College needs to await the outcome of the IBR to inform such a proposal.

Karen Redhead apologised for the size of the Board pack and suggested that, in future, some of the reports be placed in an appendix for background reading so that the main papers contain only matters for decision. The FEC Commissioner activity is currently paused due to COVID-19 but she has had informal discussions with Frances Wadsworth to keep her updated. The next FEC stocktake visit is due in July but this date is to be reviewed.

FE Commissioner's Principals' Reference Group – Karen Redhead reminded members that she has been accepted as a member of the Group in February 2020. Since that time, she has had two opportunities to engage with Government ministers and DfE officials since lockdown.

ESFA intervention – a virtual case conference took place on 30 April 2020. In addition to the usual update on recovery progress, the meeting had focussed on two main points:

- a. **Execution of the loan agreement** notwithstanding discussions that have taken place between the Clerk and the DFE, the DfE requires physical presence for signature and sealing of the document. Karen Redhead and Ian Comfort will meet when it is possible and considered safe to do so.
- b. **Independent Business Review** – during the case conference there had been differing views between the College and the PMO representative about the amount of work outstanding to complete the review. An 'off-line' meeting had taken place to resolve this, where it became apparent that the PMO representative had not been aware of all the work that had been completed. The ESFA has agreed that the finding of the IBR be shared with the College and BDO has agreed to present their findings to the Board in the near future.

Enrolment and funding performance.

The College had been performing very strongly up until the point of lockdown. Both mid-year returns evidenced this and therefore the College will be able to keep the AEB allocations under the terms of the recent DfE announcement.

The projection for the impact of COVID-19 is for a detrimental effect of £1.5m prior to mitigations. The attention is now focussed on modelling finances for next year as

this presents more of a risk as it is difficult to predict behaviours. Students may be reticent to engage or, conversely, there may be an uplift in enrolment as people turn to college as employment opportunities are not available. The College is focussing marketing efforts on a campaign to publicise the opportunity to enrol and to ensure that current students are retained and progressed. There is also an issue of how to onboard new students effectively.

COVID-19 update

Karen Redhead explained that the College work is centred on four categories:

- a) Emergency planning for campus closure and the move to remote and flexible working
- b) Stabilising our operations and achieving as much business continuity as possible
- c) Preparation for next steps of wider opening
- d) Minimising the risks to business and income in 2020/21

a) Emergency planning for campus closure and the move to remote and flexible working. Karen had given a verbal update to the March 2020 Board meeting. The transition had gone very well and met expectations. Since lockdown business support meetings are going smoothly and the last six weeks have focussed on stabilising operations.

b) Stabilising operations and achieving as much business continuity as possible. Work has been done on refining the Business Continuity Plan since lockdown, but the pandemic had demonstrated that, largely, the existing plan was fit-for purpose. Business support is well co-ordinated, the Finance team is functioning well, and MIS are making data and funding returns.

The College has been engaging and monitoring vulnerable learners regularly. If there had been a demand from learners, the College would have retained a small provision, but this did not occur. A great deal of effort has been made, led by Charles Nelson and Sara Woodward, to ensure staff stay in contact and ensure safeguarding duties continue to be fulfilled. There has also been effort to monitor the student experience and to ensure engagement.

Governors asked if the College is being opened for any learners in addition to those that are vulnerable. Karen Redhead said that a plethora of guidance has been received from DfE for reopening from 1 June 2020. The expectation is that the College will be opening this side of the summer break, but the Senior team is working to focus on risk assessments and plans to modify the campus to ensure social distancing. There are currently three areas being researched:

1. James Taylor is trying to ascertain from OfQual² which learners cannot have calculated grades so that the College can arrange for outstanding

² <https://www.gov.uk/government/organisations/ofqual>

	<p>assessments to take place in order to enable progression that might be otherwise compromised.</p> <ol style="list-style-type: none"> 2. The requirements of the vulnerable learners – including those with Education, Health and Care Plans and those in care. 3. The requirements of learners on year 1 of a two-year study programme, as they will be facing major assessments next year. <p>Members asked how many learners there are in the two categories. James Taylor said there are around two hundred in each.</p> <p><i>Yvonne Johnson joined the meeting at 18.40.³</i></p> <p>There is a plan to circulate the Wider Opening Plan and Risk Assessment Framework to the Board for consideration and resolution in the next couple of weeks via electronic means. It was agreed that this will go to the Full Board in order that all members may consider the implications. Peter Chapman asked if there is any data in terms of engagement with Google Classroom. Karen Redhead explained that the College has now moved to virtual registers. Sara Woodward said there are statistics but it is not possible to do granular analysis so the registers will be more informative. The College continues to research effective ways of measuring engagement.</p> <p>The Chair thanked Karen Redhead for the comprehensive and informative report.</p>	
6.2	<p>Covid-19 – Student feedback survey</p> <p>James Taylor presented the results of the survey completed by over 1000 learners and explained that the survey had been open for a month after the College closed due to the pandemic. He commented that the learners who completed the survey were likely to be those who are most engaged with the College, but it was nonetheless an excellent response rate. Overall, the feedback from learners is incredibly positive they are engaged and are upbeat. The response rate from English and Maths is lower than hoped but may be due to the government announcement that exams had been cancelled. Each Head of Curriculum had been given a copy of the findings in their areas to follow up with staff and identify further improvements.</p> <p>The College knows that it needs to develop Google Classroom and is now working with Staff to identify skills gaps and training requirements. A programme of training will run before the summer break.</p> <p>Members commented that this was an extremely positive report and thanked James Taylor.</p>	

³ Cllr Johnson joined late because of connection difficulties

<p>6.3</p>	<p>Covid- 19 Risk Register</p> <p>Anil Nagpal presented the report which had been developed specifically in response to risks posed to the College by the COVID-19 pandemic. The report outlined 20 risks and has been subsumed into the main College risk register which will be presented to the July 2020 Board meeting.</p> <p>Maria Vetrone said that she had reviewed this in detail and commended its quality. She had received a call from the internal auditors to discuss the report and the feedback she gave had been extremely positive.</p>	
<p>6.4</p>	<p>College Operational plan tracker report</p> <p>Karen Redhead reported that actions to deliver the operational plan were going well despite the pandemic. Some actions have been delayed and she explained that up until the end of April 2020 there had been no items in Amber/red but now there are some marked Amber/red as a result of COVID-19. The HE outstanding items are not due to COVID-19 and the HE strategy is being reviewed with urgency.</p> <p>Ian Comfort asked Yvonne Johnson if the Curriculum and Quality Committee is overseeing this. She replied that the Committee is monitoring activity and that she welcomed the appointment of James Taylor which would inform the Committee's discussions.</p> <p>ACTION: DAVID ROUND AGREED TO SHARE EMAIL DETAILS WITH YVONNE JOHNSON AND JAMES TAYLOR TO PUT THEM IN TOUCH.</p>	
<p>6.5</p>	<p>Staff survey</p> <p>Karen Redhead reminded members that the College undertakes an online annual survey hosted by QDP. The survey is anonymous, and whilst the use of QDP had a cost, it allowed the College to benchmark against others.</p> <p>There had not been a survey conducted during 2018/19, due to the intense focus on financial recovery, so she was keen to run a survey early in this academic year. It was recognised that the survey had been completed in a period of change at the College when consultation about redundancies was taking place and there were concerns about the College's financial health.</p> <p>Karen Redhead apologised for the delay in reporting this to the Board. It had been due to be reported in March, but was postponed in order to focus on preparations for lockdown. She explained that she has implemented some campus-based Staff Forums which have made some excellent suggestions. Some of the actions such as an end of year staff awards celebratory event have been hampered by lockdown. She added that some of the categories with the lowest scores resulted from fears</p>	

	<p>about the financial health of the College. Communication of the improved position should address this over time.</p> <p>Governors noted that the response rate was comparatively low at 61%; the CEO commented that she would regard 70% as a minimum level for a reliable survey.</p> <p>There was a discussion about the lower and mid-range scores in the survey which clearly identified areas for development for management. Governors asked about how the survey results would compare with those of other colleges. The College used a survey system that was benchmarked against other colleges and it was probably that the College scores would be comparatively low. Comparison was made with the last staff survey and the context was noted. Virtual staff forums will take place via Google once the College has completed its wider opening plans.</p> <p>There had been plans for a mid-year report to the Board on the progress of actions, but these had been hampered by COVID-19. Governors agreed that staging the second survey in December 2020 would allow the situation to settle. Ian Comfort added that staff will have time to reflect on how they were treated during lockdown.</p>	
6.6	KPI dashboard – This item was deferred.	
6.7	<p>Finance Reports:</p> <p>(I) Management accounts (March 2020)</p> <p>Anil Nagpal had delayed publishing these to take account of COVID-19.</p> <p>He drew the attention of the Board to the following headlines:</p> <ul style="list-style-type: none"> • Forecast is now a deficit £4.2m (£0.6m adverse) • The deterioration is mostly due to loss of commercial income • Some losses mitigated by utilising job retention scheme • Savings in staff costs have been made where possible income streams which are variable. • Some previously subcontracted provision has been brought in-house • Includes pensions adjustment • Includes interest payments due to the ESFA loan <p>Anil Nagpal explained that the final drawdown of the ESFA loan had taken place on 1 April 2020. The amount had been for £0.6m rather than the originally expected £1.5m and the total loan now totals £11.6m at the current PWLB rate of 2.6%.</p> <p>The March Board meeting had asked Anil Nagpal to review all recent learners to ensure that no inappropriate payments had been made to them in error. He had looked at all leavers since April 2019. This amounted to a total of 99 leavers, none of whom had received anything other than payments due to them.</p>	

- Pay costs are showing an adverse YTD variance of £80k excluding pension costs
- Forecast pay costs at year-end to be £121k favourable variance
- Budget holder meetings continue and are going well

Non pay costs - YTD £181k adverse variance although moving in the right direction

KPIs

- **Cash days** - is a positive picture due to ESFA loan and the Southall disposal. The College is monitoring this position closely each week
- **Borrowing** - looks high due to the final drawdown from the ESFA. The ratio has been adversely affected by reduction in income
- **Pay ratio** - will creep up to around 70%
- **Financial Health** - will be inadequate by the end of this year
- **Banking covenants** have been updated and the College should be compliant with both by the end of the academic year
- The College is projecting a **cash balance** of £4.5m by end of July 2020

The College is expecting some capital expenditure in relation to decoupling A and B blocks over the summer.

Maria Vetrone commented that this position looks good and added that West London College is about the same size as her college which is forecasting deficit of £2.5m and is predicting adverse effect of COVID-19 of £1.6m on a worst case. She asked on what basis the College forecast year-end is based. Anil Nagpal said this is the forecast of the most likely outcome.

Maria Vetrone said at her college third term high needs recharges are at risk as the Local Authority has not committed to pay them and asked how WLC has treated these as the impact could be significant. Anil Nagpal is reasonably confident that these will be paid as the College has good relationships with local authorities. This may be a different issue with cashflow as LAs are slow to pay.

Governors asked why the projected additional loan of £1.5m reduced to £0.6m and what the impact of this would be on financial planning for the rest of the year. Anil Nagpal explained that the ESFA was minded to reduce the loan due to a longstanding creditor which is in dispute. Additionally, they removed any cash for the Hammersmith development. This is unfortunate as the College had forecast £0.4m between now and July 2020 to progress the redevelopment which, in turn, underpins the repayment of the loan to the ESFA. Members asked when the College would feel the impact of this loss and how it will affect cashflow. Anil Nagpal replied that the College is remodelling the cashflow which is tricky due to all the levers in play, but he monitors the position weekly. The College is in a stronger position than when he

	<p>joined a year ago due to the estates disposal and the ESFA loan. This is all factored into the projections and in the next few months he will take this projection forward. There are unknowns in terms of student enrolment, the economy etc which will mean monitoring cashflow going forward is critical.</p> <p>Anil Nagpal explained that the cost of the pension scheme has been factored in. The costs of the LGPS (Local Government Pension Scheme) has now been received and costs are forecasted to increase significantly. The College is offering security to reduce the contributions required. When detail is known, a resolution will be proposed to the Board for consideration.</p> <p>The Board thanked Anil Nagpal for his report</p> <p>(II) Confirmation of Going concern</p> <p>It had been agreed at the meeting of the Corporation on 19.12.19 that the position of the College as a Going Concern would be reviewed frequently. There has been detailed discussion of the status of the College as a Going Concern at the past five Board meetings. 17.10.19, 19.12.19, 31.1.20, 13.2.20, 26.3.20. Members agreed that the impact of Covid 19 on the College would need to be closely monitored going forward but that currently the management accounts raised no additional issues. AN said that there is a huge level of concern nationally, but this is not specific to West London College.</p>	
6.8	<p>Draft Integrated Financial Model for Colleges – (IFMC)</p> <p>Anil Nagpal reminded that the model is new and was introduced by the ESFA in November 2019. The data submission had been signed off by FGP for submission by end of February 2020 and it was almost immediately out of date. The commentary was not ready at that date but the IFMC model presented today is updated for next year for data and commentary. It takes account of the reduction in the expected £1.5m loan from the ESFA to £0.6m.</p> <p>The 2017-18 deficit was just under £13m. At this point Karen Redhead had implemented a financial recovery plan. During 2019/20 the recovery plan was replaced by a detailed operational plan to continue making significant improvements. The outturn position for 18/19 was a deficit of £8.1m included a number of one-off items, £4m of which was one-off adjustments and provisions and £2m for pensions related costs.</p> <p>The new, three-year plan will result in the College’s underlying financial health being rated ‘requires improvement’. The forecast outturns are as follows before ITDA:</p> <ul style="list-style-type: none"> • 19/20 - £(1.3m) • 20/21 - £0.8m • 21/22 - £1.7m 	

	<p>The plan is closely aligned to other College plans and the senior team will continue to review these numbers and will bring an update to the June FGP, the July Board, and to be submitted to ESFA at end of July 2020.</p> <p>KPIs</p> <ul style="list-style-type: none"> • Financial Health – is improving steadily but will remain inadequate for this 19/20 and 20/21 in 2021-22 moves to requires improvement. • Borrowing will reduce to nearer 40% • Assume by Year 3 commercial income will increase. • EBITDA - positive by next year. • Cash position - £4.5m outturn this year <p>Ian Comfort thanked Anil for the comprehensive report. Maria Vetrone said she had not yet had a chance to look at it in detail. She asked if there would be more detail of underlying assumptions on income streams, student numbers etc and more detail on pension costs for the July 2020 version. Anil advised that he will have greater granularity when detail is known from the pensions company</p> <p>AGREED: MEMBERS WERE INVITED TO SUBMIT COMMENTS TO ANIL NAGPAL BY 28 MAY 2020.</p> <p>ACTION: DAVID ROUND TO CIRCULATE A FINAL VERSION AND SEEK APPROVAL OF A WRITTEN RESOLUTION TO SUBMIT THE IFMC COMMENTARY TO THE ESFA.</p>	
7	REPORTS FROM COMMITTEES	
7.1	<p>Finance and General Purposes Committee minutes: 21 April 2020</p> <p>The Board noted the minutes.</p>	
7.2	<p>Curriculum and Quality Committee minutes: 2 April 2020</p> <p>Yvonne Johnson said the Committee is awaiting an HE strategy report which will come to next meeting and she will discuss the way forward with James Taylor.</p>	
7.3	<p>Search and Governance Committee minutes: 14 May 2020</p> <p>The Board noted the minutes.</p>	
8	COMPLIANCE MATTERS FOR APPROVAL	
8.1	<p>Subcontractors' report</p> <p>David Warnes said this was an update to the report presented to the Board in March and had gone to the FGP Committee in April 2020.</p> <p>The College is monitoring its four independent subcontractors for all appropriate checks on a bi-weekly basis. Recently the College has been looking at their COVID</p>	

	<p>- 19 plans and it is clear that some are more successful on delivery plans and contracts with others. The monitoring of quality assurance processes continues with virtual drop-ins to online lessons and conducting learner surveys remotely.</p> <p>Appendix 2 - RAG rating shows the rating of each partner. Integer is struggling the most significantly with their delivery module as they work with security staff in stadia which is understandably problematic in the current circumstances. As a result of discussions, the College has reduced the contracts which is positive as provision has been brought in-house.</p> <p>Two new partners had been due to commence in summer term and they will now start in academic year 2020-21. The College is conducting the appropriate due diligence. The internal quality assurance has been conducted and is ready in draft form and makes only minor recommendations. The College has in place contingency planning for any partner who might go into liquidation and the handbook has been amended.</p> <p>ESFA consultation on subcontracting has closed and there has been no feedback yet. The AEB funding rules published last week are in draft form with a caveat that they may change before the summer.</p>	
8.3	<p>Schedule of Corporation meetings 2020/21</p> <p>David Round presented the draft schedule and invited comments from members by 28 May 2020. The final schedule will then be published.</p>	
10	<p>Any other business</p> <p>There was none.</p>	
11	<p>MEETING EVALUATION</p> <p>Members agreed that it was an extremely well run and well-paced meeting. Governors asked that their thanks be passed onto College staff for all their support during this challenging time. The meeting had been well chaired and the dynamic between governors and the management team had been extremely positive. The debate had been both challenging and constructive. The Chair thanked the senior team for the excellent quality of the reports. Members expressed disappointment that the two student members had not been able to attend as their contribution had been valued. This will be followed up.</p> <p>Karen Redhead thanked her fellow Board members and said that the SLT appreciates both the support and challenge which is very useful for the team. James Taylor said that it had been good to meet everyone and added that he hopes to meet everyone in person soon. Ian Comfort thanked everyone for their contributions .</p>	

	<i>The meeting closed at 19.48</i>	
11	DATE OF NEXT MEETING Corporation 23 July 2020 (18.00)	

Chair's signature: **Date:**