

MINUTES

THE CORPORATION OF EALING, HAMMERSMITH & WEST LONDON COLLEGE

Meeting	Board		
Date	Thursday 30 March 2023	Time	18.00
Venue	Google Meet		
Chair	Ian Comfort		

Members: Ian Comfort; Karen Redhead; Sarah Benjamin; Robin Ghurbhurun; Phillip Kerle; Shawez Mir; Jon Roe; Christopher Saul; Chris Taylor; Adrien Ong; Rachael Fisher; Sharon Lambert

In attendance: Anil Nagpal (Chief Operating Officer); James Taylor (Deputy Principal Curriculum and Quality); Lesley Venables (Interim Governance Adviser); Matt Fawcett (Interim Deputy Principal, Planning, Partnerships and Projects), Chris Nixon (Director of Student Services and Safeguarding)

	ITEM
1	<p>Attendance</p> <p>The Chair welcomed the new governors—Adrien Ong, Rachael Fisher and Sharon Lambert—to their first meeting of the Board.</p> <p>Apologies had been received from Mustafa Sami, Laura Gladstone, Saad Siddiqui, Virginia Mukandi, Ian Paxton (ESFA) and Abs Malik (ESFA).</p> <p>The Chair noted that Jake McClure had resigned on 24 March and that Laura O’Riordan had resigned with effect from 16 March 2023.</p>
2	<p>Declarations of Interest</p> <p>Phillip Kerle declared that he was a governor at Orbital South Colleges.</p>
3	<p>Minutes</p> <p>Resolved, That the minutes of the meeting held on 13 December 2022 be approved as a correct record and signed by the Chair.</p> <p>The Board noted the approvals of the electronic resolutions on the appointment of Richard Ward as the permanent Director of Governance and the appointment of three new full governors and one co-optee to the Curriculum & Quality Committee.</p>
4	<p>Matters arising</p> <p>Governors received for information a report on progress against actions identified at the previous meeting.</p>

	ACTION: IGA to reformat report to include dates and responsible individuals and circulate.
5	STRATEGIC REPORTS
5.1	<p>CEO Report</p> <p>The CEO presented an update on current strategic issues and highlighted the following:</p> <p><i>FE Commissioner intervention</i></p> <p>The latest FEC visit had taken place on 22 February, during which FEC representatives had indicated that they felt the approach taken to date was no longer helpful for the College given its stage of recovery and that an alternative approach might now be used. Verbal feedback had been provided two weeks later in which FEC representatives confirmed that all outstanding actions had been resolved. It was felt that the verbal feedback did not reflect the conversations that had taken place during the visit, with new recommendations being made. The CEO had discussed the feedback with the Chair and it had been agreed that no further action should be taken until the written report had been received.</p> <p>The Chair reported that he had been concerned about the way in which the visit had been handled by FEC representatives and by some of the comments which had been made. He informed the Board that he had met with the FEC this week to seek clarification. The College had been placed in the intervention process due to financial issues, which the Chair noted had improved significantly as a result of sustained action, with the financial health grade now 'Good'. Governors were reminded that there had been no ESFA case conferences since October 2022 and that the College maintained ongoing constructive dialogue with the relevant ESFA Territorial Team.</p> <p><i>Enrolment updates</i></p> <ul style="list-style-type: none"> ● 16-19 numbers close to target but with more work to do. ● ESFA adult – there were some concerns about potential clawback (as in previous years) and a review of distance learning was underway by the Interim Deputy Principal. A £500k adverse variance is being forecast and the College had introduced a number of mitigating actions to address this under-performance. ● GLA adult – expecting to achieve the 97% threshold. ● Apprenticeships – are £400K below the identified target at this point in the year. <p>A governor commented that there appeared to be a recurrence of staff recruitment issues and students being placed on waiting lists until these matters were resolved. The CEO was asked to quantify the number of roles that were currently vacant and how long they had remained empty. The Board was informed that the position was better than at the start of the academic year and that the College had been successful in recruiting staff particularly in senior leadership roles. However, there were still some gaps in lower grades, such as Business Development Officers (two out of three posts vacant) and Construction Skills Trainers, which were proving difficult to recruit. The position was similar at most further education colleges but was exacerbated in London due to the impact of Brexit, the pandemic and increasing numbers of working age people who were opting for alternative careers and lifestyles.</p> <p><i>ONS Reclassification</i></p>

	<p>Governors were reminded that the FE sector had been reclassified by the ONS into the central government sector in November 2022 with retrospective effect to April 1993</p> <p>ACTION: IGA to arrange a twilight for governors to understand the implications of the reclassification for both the board and the College.</p> <p><i>FE Capital Transformation Fund (FECTF)</i></p> <p>The College had been planning to bid for FECTF funding to progress the preferred option for the Hammersmith Campus in the Estates Strategy. However, the DfE had now changed the way in which money was distributed to the sector, which was through grant allocations rather than a bidding process and had awarded the College £4.2m (compared to the intention of bid for the maximum of £20m). A letter setting out the conditions attached to the grant would be issued shortly by the DfE.</p> <p>Options for the Hammersmith Campus would be discussed in detail at the next Estates Working Group meeting. The CEO advised that the capital bid would have been sufficient for a contribution to pursue Plan A, with the remaining monies obtained from the land sale. Plan B was still the same scheme but involved persuading the local planning authority to reduce the overall number of affordable homes as part of the project. Governors commented that the £16m difference between bid and allocation presented a significant challenge for the College.</p> <p><i>Accountability Agreement</i></p> <p>The Board was reminded of the new requirement for the preparation of an annual Accountability Agreement, which should be submitted to the ESFA in draft by 31st May 2023. The CEO reported that this aligned closely to the strategic plan and the Local Skills Improvement Plan that was being prepared by Business LDN. Part of the requirements of the LSIP was for FE providers to collaborate in some form and a number of governors had attended a recent joint event to start this process, which had been well-received by participants.</p>
5.2	<p>Strategic and operational planning</p> <p>The CEO presented an update to the Operational Plan, which reflected some of the risks discussed under other agenda items (distance learning provision, apprenticeships and variations to sub-contracting). A further report on progress would be made at the May Corporation meeting.</p>
6	<p>FINANCE</p>
6.1	<p>Management Accounts</p> <p>Governors received for information the Management Accounts to 31 January 2023, which set out the half-yearly financial position. The Accounts had already been scrutinised by the Finance & General Purposes Committee.</p> <p>The projected outturn for the year was currently for a £2.9m deficit against the budget deficit of £2.3m. The EBITDA figure is circa £1m under the target figure, which is partly due to significant pressures in terms of recovery of income, inflation pressures and energy costs. There was an adverse variance of £515k on the projected outturn and a £712k favourable variance in income. The GLA had allocated an additional £300k to support the College with inflationary pressures.</p>

	<p>Pay expenditure was on track and was projected to align with the agreed budget by the year end. Cash days in hand were 131 days, which would reduce towards the end of the financial year following further planned investment in the College's estate. The pay to income ratio was 53.96% and borrowings remained high due (approx. 40%). These are the year-to-date (YTD) figures.</p> <p>The College's financial health had been assessed as 'Good' by the ESFA reporting methodology, but it was noted that the calculation only just placed it in this category and that, if all factors in the sensitivity analysis presented to the Committee came to fruition, the grading would be 'Requires Improvement' as a result. There was a potential for a further worsening of the financial situation by up to £1.25m by the year end, which would mean an overall deficit of £4m (and was significantly worse than the outturn for 2021/2022).</p> <p>A governor asked whether it was possible to received information on the forecast with the full sensitivity analysis built in and commented that this would enable the Board to have a view of the worst-case scenario and make decisions for the College's long-term future. The COO responded that the College had four months to pull back on the adverse variances and success would be predicated on generating maximum income in areas such as distance learning and other opportunities.</p> <p>The Board questioned what the impact of this level of performance would be on future years. The COO reported that it was dependent on any clawback by the ESFA/GLA and that if that happened the College would need to radically cut pay and non-pay costs. The external environment was also challenging in many aspects, such as inflation and staff recruitment. In response to a question about the continuation of the 'Good' financial health grading in these circumstances the COO advised that the College could be reclassified as 'Requires Improvement'.</p>
<p>6.2</p>	<p>Confirmation of Going Concern</p> <p>The Chair of the F&GP Committee reported that the going concern position had been scrutinised at its most recent meeting. The COO confirmed that the management accounts and cashflow projections indicated that the College had sufficient cash to cover its liabilities at the present time. Governors noted that the College had received a letter from the ESFA setting out its financial health grading as 'Good'. The Chair thanked the COO and the Finance Team for their continuing work in this area.</p>
<p>6.3</p>	<p>Risk Management</p> <p>The COO presented a report on risk management, which outlined the 22 strategic risks. It was noted that there were more 'red'/'high' rated risks than in previous reports due to the tough environment in which the College was operating. The Internal Auditors had recently undertaken a 'health check' of risk management arrangements, which had been positive and identified several areas of good practice. It was important from a governance perspective that the Board was aware of the nature and severity of each of the risks. A total of three advisory recommendations had been made, two of which had already been implemented (assigning risks to individual committees and adding a 'target' risk score). The remaining recommendation related to providing governors and management with some refresher training on risk, the delivery of which was being discussed with the Internal Auditors.</p> <p>The COO advised that the assurance framework was combined with the risk register, rather than there being two separate documents.</p>

7	CURRICULUM & QUALITY
7.1	<p>Student Voice</p> <p>Governors received for information a report on Student Voice activities in the first term of 2022/23.</p> <p>Each student forum had been successful with the exception of Southall and a “you said, we did” campaign would be implemented over the next couple of months and include articles in the student newsletter, briefing course representatives and using social media. Some specific items had already been addressed and it was noted that concerns included IT reliability, classes being held online rather than in person and lack of careers support.</p>
7.2	<p>Safeguarding Update</p> <p>The Director of Student Services and Safeguarding presented the termly update on safeguarding activities, which had been discussed in detail at the Curriculum & Quality Committee meeting. During the Ofsted inspection safeguarding had been assessed as effective, but with further work to be undertaken on raising awareness of the Prevent agenda and extremism.</p> <p>An average of 50 referrals per week had been made in the Autumn term, which had proved challenging in terms of resourcing, but was in line with expectations at the start of the academic year. The number of child protection orders had increased. The profile of referrals by gender and age remained in line with previous reports and reflected the national position. The complex process for identifying students with criminal convictions and risk assessing them had been successful.</p> <p>Governors felt that it would be useful to receive information on the total number of referrals in each category in future reports. The DSS was also asked how the Board could assure itself that the increase in safeguarding concerns was due to more rigorous reporting methods. It would only be possible to determine this once a full reporting cycle had been completed and would enable termly comparisons to be made. In response to further questions the DSS reported that benchmarking information was available from various sources such as the local education authority and neighbouring college networks.</p> <p>ACTION: That future reports include an analysis of referrals by category</p>
	OTHER REPORTS
8	<p>Health & Safety Report</p> <p>The COO presented a summary of health and safety activities in the Autumn term. There had been a total of 53 accidents, all of which were relatively minor and not reportable under RIDDOR. All staff were required to undertake annual training and 76% of these courses had been completed to date. There would be a renewed focus on ensuring compliance in the Spring term.</p>
9.1	<p>Recommendations from Committees</p> <p>The Board was asked to approve the following papers which had been recommended by the Committees:</p> <p>Audit Committee</p> <ul style="list-style-type: none"> ● Revised Whistleblowing Policy ● Risk Management Policy

	<p>Finance & General Purposes Committee</p> <ul style="list-style-type: none"> • Fees & Refunds Policy • Variations to Sub-Contracting Arrangements <p>Resolved, That the above documents be approved by the Board.</p>
9.2	<p>Curriculum and Quality Committee – 14 March 2023</p> <p>The Chair of the C&Q Committee reported that the meeting had focused on the recent Ofsted outcomes and the College’s Quality Improvement Plan, which included all of the Areas for Improvement. Reports on safeguarding and the student voice had also been received, both of which were featured under an earlier agenda item.</p>
9.2.1	<p>Ofsted Inspection</p> <p>Governors received for information the Ofsted report, the outcomes of which were aligned to the College’s Self-Assessment Report and noted that the overall grade was ‘Requires Improvement’. A new grade on the extent to which the College was meeting the local skills need and involved stakeholders in curriculum development was included as part of the inspection process. It was noted that the report had commented that governors have the appropriate knowledge and skills and challenged senior leaders.</p> <p>A number of key actions had been identified – improving the retention of learning by students, initial advice and guidance and addressing any staffing resource issues that impacted on teaching and learning. Progress against these items would be measured by Ofsted in 7 to 13 months (monitoring visit) and a full re-inspection within 12 to 13 months.</p> <p>The DPCQ was asked whether the Ofsted result would affect student recruitment. The Board was advised that this was unlikely as the majority of learners studied at Levels 1 and 2 where there were few other providers locally. However, there may be some displacement at Level 3 and above.</p> <p>Governors commented that it would be challenging to bring about the necessary improvements to achieve a ‘Good’ Ofsted grading within a 12-month period. The CEO reported that there had already been significant changes in quality processes over the last 2 years, together with a revamp of the curriculum to meet the needs of learners and employers. This had provided a solid foundation for further development and staff had recognised the need to address these basic issues.</p> <p>A governor questioned the College’s ability to improve given the number of staff vacancies which prevented some courses from running, together with the financial challenges faced by the organisation. The CEO was of the view that the staffing situation was starting to be resolved, for example, agency tutors were observed in the classroom and, subject to good performance, were offered permanent contracts. There would always be some areas where recruitment was ongoing due to the nature of the business, such as learning support assistants.</p>
9.3	<p>Finance and General Purposes Committee – 21 March 2023</p> <p>The majority of items discussed had featured under earlier reports on this agenda.</p> <p>Governors were advised that the withdrawal from the Park Royal Building was critical and was continuing as planned to meet the tight timescale without incurring</p>

	any additional costs. Learners would be relocated to Southall by 19 April and the Committee had expressed its gratitude to the team working on this project.
9.4	<p>Audit Committee – 20 March 2023</p> <p>The Chair of the Audit Committee summarised the discussions of its recent meeting. Advisory reports had been received on apprenticeships and risk management, which had identified some improvements that had been implemented by the College. Monitoring reports on risk management and progress against previous recommendations had been discussed and policies on Risk Management and Whistleblowing had been recommended for approval by the Board.</p>
9.5	<p>Estates Working Group – 22 March 2023</p> <p>All relevant matters had been covered by the Chair’s report on the F&GP Committee meeting.</p>
	Other Matters
10.1	<p>ESFA Mini-Guides – ONS Reclassification</p> <p>The IGA reported that a number of guidance documents had been issued by the ESFA following the decision by the ONS to reclassify FE colleges as public sector organisations:</p> <ul style="list-style-type: none"> ● Special payments, compensation and ex-gratia payments ● Novel, contentious and repercussive transactions ● Indemnities, letters of comfort and guarantees ● Write-Offs and losses ● Senior pay controls <p>The guidance was still being developed and was unclear in places. It was expected that further updates would follow after further discussion and consultation in the sector.</p>
10.2	<p>Any other business</p> <p>A governor suggested that the Board needed to have a strategic discussion about the impact of AI and the implications of the Government White Paper in this area. It was agreed that Robin Ghurbhurun and Adrien Ong would lead on this area for the Board, working closely with the Director of IT & Digital Innovation.</p> <p>The Chair advised that Dean Vaughan (Assistant Principal for HE) had died recently after a long illness. The Board asked that their sincere condolences be passed to his family by the CEO.</p> <p>Governors were thanked for their input over the past few months, particularly during the Ofsted process.</p>
10.3	<p>Next meeting</p> <p>Conference – 25 May 2023 2.00 – 7.00 pm Meeting – 27 June 2023 at 6.00 pm</p>