

## MINUTES – Agreed 17-10-23

### THE CORPORATION OF EALING, HAMMERSMITH & WEST LONDON COLLEGE

<b>Meeting</b>	<b>Board</b>		
<b>Date</b>	Tuesday 27 June 2023	<b>Time</b>	18.00
<b>Venue</b>	LT3, Hammersmith		
<b>Chair</b>	Ian Comfort		

**Members:** Ian Comfort, Adrien Ong, Rachael Fisher, Chris Taylor, Sarah Benjamin, Karen Redhead (CEO), Shawez Mir, Jon Roe

**In attendance:** Anil Nagpal, Chief Operating Officer; James Taylor, Deputy Principal, Curriculum & Quality; Matt Fawcett, Deputy Principal, Planning, Partnerships and Projects; Chris Nixon, Director of Student Services and Safeguarding; Richard Ward, Director of Governance

	ITEM
1	<p><b>Attendance</b></p> <p>Apologies were received from Sharon Lambert, Phillip Kerle, Laura Gladstone, Robin Ghurbhurun, Mustafa Sami Qazi and Virginia Mukandi.</p>
2	<p><b>Declarations of Interest</b></p> <p>Shawez Mir and Karen Redhead declared that they were Directors of Capital Talent Box Ltd. (Item 6.6).</p>
3	<p><b>Minutes</b></p> <p><b>Resolved,</b> That the minutes of the meeting held on 30 March 2023 be approved as a correct record and signed by the Chair.</p>
4	<p><b>Matters arising</b></p> <p>Governors noted the matters arising from the previous meeting, two of which would be carried out by the Director of Governance. The third action, relating to the analysis of safeguarding referrals, had been completed and was presented in the safeguarding update being presented later in the meeting.</p>
5.1	<p><b>CEO's report</b></p> <p>The CEO spoke to her paper, in which she gave a strategic overview of the College's position at the end of the academic year:</p> <ul style="list-style-type: none"> <li>On the <b>College's intervention status</b>, the CEO reported that following the last stocktake visit from the FE Commissioner's team in February, she and the Chair had engaged with the FEC team and the ESFA territorial team to seek clarity on the College's position. In light of the fact that the College had</li> </ul>

demonstrated significant progress against the terms of the Financial Notice to Improve, ESFA had recommended that the College should exit formal intervention, subject to the agreement of a Post-Intervention Monitoring and Support (PIMS) plan. The ESFA recommendation was approved by the Department for Education (DfE) in May and a PIMS plan was currently being drafted. The College's Executive Team, Chair and Director of Governance would meet representatives from ESFA and the FEC teams on Friday for the College's 'Annual Strategic Conversation'.

- The CEO reported that **enrolments** were being watched closely to ensure that there was no clawback at the end of the year as a result of a failure to hit 97% of the College's AEB allocation. The Deputy Principal (Planning, Partnerships and Projects) had spoken to the Chair of the Finance & General Purposes Committee to set out in detail his plans for maximising the College's enrolment performance at this stage in the academic year. In the discussion that followed, governors asked:
  - **How distance learning sat within the College's plans for the years ahead.** The CEO explained that distance learning suited some learners and courses far better than it did others. The Deputy Principal (Planning, Partnerships and Projects) added that distance learning worked well with learners looking to upskill, and the Chair noted that distance learning was firmly embedded as the delivery method for CPD within regulated professions.
  - **What steps were being taken to maximise enrolments in the current academic year.** The Deputy Principal (Planning, Partnerships and Projects) informed the Board that the College had changed its relationships with referral agencies and had identified potential enrolments which had not been pursued earlier in the year. There was a natural pattern in enrolments throughout the year but the reality was that enrolments should occur throughout the academic year.
  - **What the forecast impact on the College's financial performance at the end of the 22/23 year was.** The Chief Operating Officer explained that the modelling showed the College performance was fluctuating between 'Good' financial health and 'Requires Improvement', which was projected at the end of the year. While financial health comprised several interrelated elements, the focus had to be on maximising income. The COO noted that pay and non-pay expenditure was well controlled.

**Action:** Governors to receive a weekly update on enrolment performance on distance learning provision until the end of the academic year (*Deputy Principal (Planning, Performance and Projects)*).


- On **estates**, the College had hoped to bid for £20m from the DfE's FE Capital Transformation Fund (FECTF) in order to move the Hammersmith development to an implementation phase, as proposed in the Estates strategy. With the FECTF having been distributed widely between eligible colleges without a bidding round, the capital grant of £4.2m awarded would not enable the College to move to implementation at this time. An evening briefing for governors from Peter Marsh Consulting, the College's advisers on Estates strategy, had been arranged for 5 July.

	<ul style="list-style-type: none"> <li>Finally, the CEO drew governors' attention to the item on the agenda relating to <b>the College's draft Accountability Statement</b>, which was on the agenda for discussion later in the meeting.</li> </ul>
<b>5.2</b>	<p><b>Strategic and operational planning</b></p> <p>The Deputy Principal (Planning, Partnerships and Projects) updated governors on the College's strategic and operational planning as it stood at the end of April, covering the Autumn and Spring terms. 60.5% of actions listed on the operational plan were rated as green or amber/green, 21% of actions were listed as amber and 18.4% of actions were rated as amber/red or red. The Deputy Principal summarised the principal areas of concern within business development and curriculum, noting that some (such as enrolments) had been or were due for discussion elsewhere on the agenda.</p> <p>The CEO reminded governors of the effects of a challenging recruitment market across the sector and within London in particular, which was discussed within the Association of Colleges and between colleges and the ESFA. An example was provided relating to an income shortfall on apprenticeships where long-standing vacancies in the business development team and construction skills trainers had caused a significant detrimental impact. Governors asked whether the Board could receive staffing KPIs at future meetings, taking into account relevant benchmarking.</p> <p><b>Action:</b> Staffing KPIs to be provided to the Board, starting from October (<i>Director of People and Organisational Development</i>).</p>
<b>5.3</b>	<p><b>Accountability agreement</b></p> <p>The Deputy Principal (Planning, Partnerships and Projects) introduced the College's draft Accountability Statement, a draft of which had been supplied to the ESFA by the deadline of the end of May. An overview of the Statement had been provided to the Curriculum &amp; Quality Committee on 16 May, and Board approval was now sought for the final version to be submitted.</p> <p><b>Resolved,</b> That the College's Accountability Statement be approved.</p>
<b>6.1</b>	<p><b>Management accounts</b></p> <p>The Chief Operating Officer spoke to the College's management accounts for the period ending 31 May 2023. They showed a projected outturn for the year of a deficit of £3,312k, which was an adverse variance of £965k. The College had an adverse variance of £492k on income and an adverse variance of £473k on expenditure. Governors noted the relationship between savings on pay made due to posts being vacant and the impact of vacant posts on teaching and learning. The COO stated that some of the current vacancies were in office-based rather than teaching roles.</p> <p>The College's cash balance was currently overstated due to payments which had not yet been made for elements of the capital programme. The College was exposed to pressures across income, pay and non-pay budgets, which were either built into the forecast or recorded as a risk in the sensitivity analysis; the finances continued to be monitored closely as the College approached the end of the financial year.</p>

6.2	<p><b>Confirmation of going concern</b></p> <p>The Chief Operating Officer reported that the going concern position had been scrutinised at the most recent meeting of the Finance &amp; General Purposes Committee. The Chief Operating Officer confirmed that the management accounts and cashflow projections indicated that the College had sufficient cash to cover its liabilities at the present time.</p>
6.3	<p><b>Financial plan</b></p> <p>The Chief Operating Officer gave governors an overview of the College Financial Forecast Return, which included details of the College’s financial plan for the current year and the two years ahead. He reported that the plan showed a path on which the College could maintain and build upon its financial strengthening, despite the challenging financial context.</p> <p>The Chair invited the CEO to comment on the proposals for a pay award, which were summarised within the plan. The CEO drew governors’ attention to the proposals set out in the paper, and noted that in the absence of further funding for pay, widespread industrial action was a possibility for colleges in the Autumn. The COO noted that the CFFR would be updated prior to submission to reflect the latest (May 2023) management accounts prior to submission.</p> <p><b>Resolved</b>, That the College Financial Forecast Return be approved.</p>
6.4	<p><b>Early loan repayment</b></p> <p>The Chief Operating Officer introduced a paper seeking the Board’s approval to repay the College’s (the “Borrower”) commercial loan with Barclays, which had been recommended for Board approval by the Finance &amp; General Purposes Committee at its meeting on 20 June.</p> <p><b>£2,176,563.71 Term Loan provided by Barclays Bank UK PLC (the “Bank”) to the Borrower pursuant to a facility agreement dated 3 September 2020 (as amended, varied or restated from time to time) (the “Fixed Rate Loan”).</b></p> <p>There was produced to the meeting details of the indicative fixed rate breakage costs (the “Indicative Breakage Costs”) as set out in an email dated 8 June 2023.</p> <p>It was acknowledged and understood by the Borrower, that whilst the Borrower has been provided with the Indicative Breakage Costs, these are indicative only and are subject to fluctuations in line with market conditions current from time to time and the actual amount of breakage costs or gains arising in connection with the early termination of the fixed rate applicable to the fixed rate loan (“the Fixed Rate Loan”) (the “Fixed Rate”) can only be determined at the point at which the Fixed Rate is actually terminated.</p> <p>Having carefully considered the Indicative Breakage Costs and any associated risks and costs (actual or potential),</p> <p>IT WAS RESOLVED:</p> <p>1. that termination of the Fixed Rate and prepayment of the Fixed Rate Loan (including any associated risks) is in the interests of and for the benefit of the Borrower and is most likely to promote the success of the Borrower for the benefit of the members as a whole and that termination of the Fixed Rate and prepayment of the Fixed Rate Loan be approved and accepted;</p>

	<p>2. that the Borrower has considered whether it needs to obtain professional independent advice (legal, financial or otherwise), prior to resolving to terminate the Fixed Rate and prepay the Fixed Rate Loan (whether on the basis of such advice or otherwise) and it has made its own independent decision to terminate the Fixed Rate and prepay the Fixed Rate Loan and understands the risks involved including, without limitation, that the actual amount of breakage costs or gains arising in connection with the early termination of the Fixed Rate are likely to be different to the Indicative Breakage Costs;</p> <p>3. that all costs, fees or other amounts payable in connection with the termination of the Fixed Rate and prepayment of the Fixed Rate Loan, including, without limitation, the fixed rate breakage costs will be payable by the Borrower and are acknowledged, approved and accepted;</p> <p>4. that both Anil Nagpal and Karen Redhead are irrevocably authorised (but either of them may act alone) to verbally confirm on behalf of the Borrower:</p> <ul style="list-style-type: none"> <li>a. that the Borrower agrees the sum of the fixed rate breakage costs (or gains) associated with the termination of the Fixed Rate;</li> <li>b. that the Borrower instructs the Bank to terminate the Fixed Rate; and</li> <li>c. that the Borrower instructs the Bank to prepay the Fixed Rate Loan comprising the fixed rate breakage costs (or gains) and the loan repayment amount</li> </ul> <p>on a telephone call with the Bank and the Borrower acknowledges and agrees that such verbal confirmations shall be legally binding on the Borrower and shall be effective from the point at which such verbal confirmations are given;</p> <p>6. that either of the persons named in paragraph 5 above is permitted to acknowledge the terms of the call referred to in paragraph 5. above, by replying to an email and any associated documentation received from the Bank setting out the details of the call, including but not limited to the breakage costs or gains (as applicable);</p> <p>7. that termination of the Fixed Rate and prepayment of the Fixed Rate Loan as set out in paragraph 5 above, is in accordance with any requirements applicable to the Borrower pursuant to its constitutional documents and/or rules; and</p> <p>8. that the Bank is authorised to act in all matters concerning the termination of the Fixed Rate and prepayment of the Fixed Rate Loan upon instruction from either of the persons named in paragraph 5 above, or the Borrower, in its capacity as borrower under the Facility Agreement, signed in accordance with the Bank’s mandate for any of the accounts of the Borrower held and current from time to time.<sup>1</sup></p>
<p><b>6.5</b></p>	<p><b>Proposed subcontractors for 2023/24</b></p> <p>The Deputy Principal (Planning, Partnerships and Projects) updated governors on the College’s subcontracting arrangements and introduced a paper setting out</p>

<sup>1</sup> Following the meeting of the Corporation of the Borrower on 27 June 2023, the Live Termination Indicative Breakage Cost (or Gain) Information Sheet dated 7 July 2023 (the “**Live Termination Indicative Breakage Cost (or Gain) Information Sheet**”) relating to the termination of the Fixed Rate was circulated to Corporation members via email. The members of the Corporation subsequently considered all other information contained in the Live Termination Indicative Breakage Cost (or Gain) Information Sheet and have confirmed that the resolutions of the meeting on 27 June 2023 have not been rescinded and remain in force and effect.

	<p>proposed subcontractors for 2023/24. Governors noted and queried the feasibility of the proposal to reduce the level of subcontracting in the next academic year. The CEO advised that part of the reduction (ESFA) was due to a business case being submitted to exceed the 25% funding cap and the need to present a worst case scenario pending its approval.</p> <p><b>Resolved</b>, That the College’s subcontracting policy be approved.</p> <p><b>Resolved</b>, That the College’s proposed subcontracting arrangements for 2023/24 be approved.</p>
6.6	<p><b>Capital Talent Box update</b></p> <p>The Chief Operating Officer reported that the Directors of Capital Talent Box had agreed the company’s management accounts for the period ending 31 May 2023 and the business plan for the year ahead, which were noted by the Board.</p>
7.1-2	<p><b>Student voice and Safeguarding updates</b></p> <p>The Director of Student Services and Safeguarding drew governors’ attention to the learner vox pops which had been circulated by email prior to the meeting. The results of the mid-year student survey had been reviewed by the Curriculum &amp; Quality Committee on 16 May. The mid-year survey showed good learner awareness of extremism and sexual assault, but lower scores for whether they had received advice on employment prospects and progression from their current course. The end of year survey would go to the Autumn Board.</p> <p></p> <p>The Director of Student Services and Safeguarding drew governors’ attention to the correlation between a learner being looked after and the likelihood of their being the victim of a violent crime. While the level of violent events across the campuses was low, it was an area of concern and a matter which would receive ongoing focus.</p>
8.1	<p><b>Health and Safety Spring Report 2023</b></p> <p>The Chief Operating Officer spoke to the College’s Spring report on health and safety. Between January and April 2023, the College had recorded 43 accidents or incidents, of which 16 had not involved an injury. Five medical incidents had been recorded. No RIDDOR events had been recorded. The report also provided the latest position on the health and safety related staff training undertaken.</p> <p><b>Resolved</b>, That the Spring health and safety report be approved.</p>
8.2	<p><b>Governance update</b></p> <p>The Director of Governance informed the Board that the Association of Colleges would very soon publish a revised Code of Good Governance. He noted that there had been a good initial response to the annual self-assessments of governance and effectiveness. The Board endorsed the schedule of meetings for the new academic year.</p>

	<p><b>Action:</b> College’s key governance documents to be reviewed in light of the new AoC Code when published and a report be presented to the first Search and Remuneration Committee of the new academic year (<i>Director of Governance</i>).</p> <p><b>Action:</b> A report on the annual self-assessments of governance and effectiveness to be presented to the first Search and Remuneration Committee of the new academic year (<i>Director of Governance</i>).</p>
<b>9.1-3</b>	<p><b>Reports from Committees</b></p> <p>The Board noted the minutes of Committee meetings which had taken place since 30 March.</p> <p>The Chair informed governors that Christopher Saul had given notice of his intention to step down as a governor with effect from the end of the academic year. The Chair had thanked him for his service as a governor and a member of the Curriculum &amp; Quality Committee, which was endorsed by the Board.</p>
<b>9.4</b>	<p><b>Recommendations from Committees</b></p> <p><b>Resolved,</b> That the following documents be approved:</p> <ol style="list-style-type: none"> <li>1. External Audit Strategy 2023/24</li> <li>2. Data protection, freedom of information and environmental information policy</li> <li>3. Anti-bribery, corruption and fraud policy</li> <li>4. Fee and refund policy</li> <li>5. Finance regulations</li> </ol>
<b>10.1</b>	<p><b>Any other business</b></p> <p>Sarah Benjamin asked whether the free breakfast service would continue in the new academic year. The CEO said that this was the intention, and thanked the COO, at whose initiative the scheme had been introduced.</p>
<b>10.2</b>	<p><b>Meeting evaluation</b></p> <p>The Chair thanked those present for their contributions to the meeting, and said that he thought governors had been able to provide a good level of challenge to College leadership.</p> <p>It was noted that attendance was not as high as it could have been, although apologies had been received from those governors unable through illness or caring responsibilities to attend. Governors considered the impact of holding physical rather than virtual or hybrid meetings, and noted that the date for the meeting had been confirmed at a relatively late stage.</p>
<b>10.3</b>	<p><b>Next meeting</b></p> <p>Tuesday 17 October 2023 at 6.00 pm.</p>