

Board

Agreed

17 October 2023

Members Phillip Kerle (Vice Chair); Maddalaine Ansell; Sarah Benjamin; Rachael Fisher; Robin Ghurbhurun; Laura Gladstone; Carole Kitching; Sharon Lambert; Yusra Mehmood; Adrien Ong; Karen Redhead; Jonathan Roe; Christopher Taylor

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

1 Attendance

Apologies were received from Ian Comfort and Shawez Mir. In the absence of Ian Comfort, Phillip Kerle took the chair as Vice Chair of the Corporation. The Vice Chair welcomed governors to the meeting.

2 Declarations of interest

Phillip Kerle declared that he was a governor of Orbital South.

Matt Fawcett declared an interest in item 21.ii (Designation of senior post holders).

3 Appointment of governors

Resolved, That the appointments listed in Table 1 be made.

Table 1

<i>Name</i>	<i>Appointed to</i>	<i>Term of office</i>
Maddalaine Ansell (External governor)	Corporation Curriculum & Quality	4 years to 16 October 2027
Carole Kitching (External governor)	Corporation Curriculum & Quality	4 years to 16 October 2027
Yusra Mehmood (Student governor)	Corporation Curriculum & Quality	Academic year to 31 July 2024

The Vice Chair welcomed the new governors to the Corporation.

4 Minutes

Resolved, That the minutes of the meeting held on 27 June 2023 be approved as a correct record.

5 Matters arising

Governors noted four matters arising from the previous meeting, the first of which related to distance learning enrolments and was complete. The second matter related to HR KPIs and was covered under item 19. The third and fourth matters related to governance, and were covered under item 21.

6 CEO report

The CEO updated the Board on several matters of significance to the College:

- The College had received formal notification from the Department for Education on 3 October that the **Financial Notice to Improve issued in October 2018 had been lifted**. The College had entered a period of Post Intervention Monitoring and Support (PIMS), which was expected to last for 12 months. This represented a significant milestone for the College, and significant efforts were being made to ensure that the actions set out in the PIMS plan were achieved.
- The College's **Annual Strategic Conversation (ASC)** had taken place on 30 June 2023 with representatives of the Education and Skills Funding Agency (ESFA), the FE Commissioner's team, the Chair of the Corporation and senior College staff in attendance. The meeting had been constructive and summaries of the conversation and the national themes emerging from this year's ASCs had been circulated for the Board's information.
- The **Association of Colleges' Colleges Week** was underway, the purpose of which was to celebrate and promote the work of colleges to key stakeholders. The CEO/Principal and Chair of the Search, Governance and Remuneration Committee would be attending a reception hosted by the AoC at the House of Lords the following day.
- The **Lifelong Learning (Higher Education Fee Limits) Act 2023** had received Royal Assent on 18 September. The CEO drew the attention of

members of the Curriculum & Quality Committee to the opportunities that the Lifelong Learning Entitlement offered for the College’s higher education strategy.

Governors congratulated the CEO on leading the College’s exit from formal intervention, and recorded their thanks for the team effort which had brought the College to this point.

Governors noted that the **annual Student Awards** would take place on 22 November, and asked how it could be used to promote the work of the College to stakeholders and potential new learners. The CEO suggested that the Board might consider producing its own annual report for that purpose, focusing on learner achievements during the year.

7 Strategic and operational planning

The Deputy Principal (Planning, Partnerships and Projects) presented a report covering the College’s final Operational Plan updated for 2022/23 and a draft Operational Plan for 2023/24. The Deputy Principal reminded governors that the Operational Plan was aligned to the Strategic Plan objectives and used to drive performance across the College. The final Operational Plan for 2022/23 showed an improvement on the position as reported to the last Board meeting in June, as follows:

RAG rating	Reporting period (Date of Board meeting)		Difference
	30 April 2023 (27 June 2023)	31 July 2023 (17 October 2023)	
Green or Amber/Green	60.5%	65.3%	+4.8%
Amber	21%	26.6%	+5.6%
Amber/Red or Red	18.4%	8.2%	-10.2%

Recruitment of staff continued to present a challenge, and this was captured in the new plan for 2023/24. There were four key areas rated as red or amber/red in the 2022/23 plan. Distance learning and apprenticeships had both seen improvements in recent months, while foundation learning and direct delivery of ESFA Adult Education Budget continued to be areas of focus. In the discussion that followed, governors asked:

- **How the quality of distance learning provision was monitored.** The Deputy Principal explained that while there had been underperformance historically, achievements were currently at about

5 percentage points above the previous year, with further achievements coming in which could take the improvements to 12-13 percentage points. A thorough review had been conducted and a restructure of the area was going to be considered by the College's Executive Team.

- **How the College's achievement rates compared nationally.** The Deputy Principal reported that the adult rates for distance learning provision were below the national average, but the overall rates for adults were above. Distance learning was part of the College's adult provision, and a larger element than in other colleges. The College had put significant effort into improving the quality of its provision and the evidence of that was beginning to show.
- **Whether the targets for distance learning set for 2023-24 were achievable.** The Deputy Principal reported that he had a high level of confidence that the targets would be achieved, in part due to the number of learners recruited at the beginning of the academic year. The two Deputy Principals were working closely together to improve the quality of reporting on distance learning performance to governors during the year.
- **How RAG ratings connected to the underlying data.** The Deputy Principal reminded governors that the KPIs were derived from the Strategic Plan. It was possible—as had been the case with distance learning—to make significant progress against a target but still underperform against the original target. The CEO reminded the Board that the College had used dashboards with success in the past.
- **What progress the College had made on T Level implementation.** The Deputy Principal (Curriculum & Quality) reported that while the College had attracted some interest, it had not recruited sufficient learners to make up viable cohorts. In many cases applicants had not achieved the grades necessary to take up the offers which had been made. Governors noted that this was consistent with a broader national picture.

8 Process for development of a new Strategic Plan

The CEO reminded the Board that the College was now in the final year of its Strategic Plan, and introduced a paper outlining the process for creating a new plan for the 2024/25 academic year onwards. The paper drew upon the newly-revised Code of Good Governance for English Colleges published by the Association of Colleges. The paper also set out

the key points in the process where the Board would fulfil its strategic role, in three sessions:

- January - Defining mission, vision and values
- May - Refining strategic objectives
- July - Formal approval of new Strategic Plan

The CEO informed the Board that arrangements would be made for external input, including scene-setting and facilitation of key Board discussions.

Resolved, That the process for the development of a new strategic plan be approved.

9 Recruitment update

The Deputy Principal (Curriculum & Quality) reported that recruitment of 16-18 learners had been buoyant at the beginning of the new academic year, with learners recruited as of that morning being 1,971, against 1,814 at the same point last year. This was consistent with the national picture, and above the recruitment target for 16-18 which had been set at 1,812. In terms of adult learners, 3,236 had been recruited as of that morning against 3,314 last year. The College had more teaching staff in place than at the same point last year, particularly in Maths and English and Skills Pathway.

Governors discussed the impact of lower GCSE results on the recruitment of Level 1 and 2 learners, and the support that learners would require to be retained and to achieve on their courses. The Deputy Principal noted that a greater proportion of learners joining the College needed to study Maths and English. The CEO suggested that there was an element of reversion to pre-pandemic performance at play with teacher assessed grades having been removed.

In response to a question about the impact of recruitment challenges, the Deputy Principal reported that while it was still a challenge in some areas, it was an improved picture overall. The Deputy Principal reminded governors that the College recruited throughout the year, and not just around the beginning of the academic year. The CEO added that a significant proportion of the College's learners did not apply for places in advance of the start of their course. Governors discussed the age profile of the College's learners, noting that the majority of learners at the College were adults rather than 16-18.

10 Pay award update

The CEO reminded the Board that at its last meeting on 27 June it had approved a headline figure of £560k for a pay award. Shortly after that meeting and as a result of lobbying by the AoC, the Department for Education had made additional funds available to colleges, with the guidance being that it was to address recruitment and retention challenges. The College had received an additional £642k, and it was proposed that the whole sum be added to the funds set aside.

Governors considered the sustainability of making a settlement above the level recommended by the AoC, and was informed that the way in which the money had been allocated meant that it was likely that the additional funds would be consolidated. The Board noted that the College had been prevented from making pay awards in the recent past, and had been unable to meet the AoC recommendation in the two previous years. Governors asked what the effect of the College's financial position had been on the competitiveness of staff pay, and whether any posts had been frozen during that time.

Resolved, That the pay budget be increased in line with the proposal set out in the CEO's paper.

11 Management accounts

The Chief Operating Officer spoke to the College's management accounts for the period ending July 2023. At the last meeting, the College had been reporting a deficit of £3.1m, since when the position had improved significantly to a deficit of circa £1m. This was primarily due to a favourable movement in the FRS102 pension costs in the latest actuarial report, which had benefited the College's overall financial position by c. £1.6m. The College's underlying financial performance had also improved by approximately £0.5m since the last meeting.

The Chief Operating Officer reminded the Board that these figures were subject to audit, which was currently underway. The College's cash position at the end of the year was strong and the College was likely to reach an operating breakeven position, with the possibility of a small operating surplus. Whilst the likelihood of maintaining the College's financial health status of 'Good' had increased, this too was subject to audit.

The College had managed both its pay and non-pay expenditure effectively for some time, and was getting better at bidding for opportunities as they arose. There was still some distance to travel in relation to income generation, which would provide the possibility of

reinvestment in the College. Governors queried reference to frozen posts in the management accounts. The CEO commented that this could refer to posts within the establishment which had not been prioritised for recruitment.

On behalf of the Board, the Vice Chair congratulated and thanked College leadership for their efforts in getting the College to this point in its financial recovery.

The Chief Operating Officer spoke to the College's management accounts for the period ending August 2023, which had been produced on a 'light touch' basis. A governor asked whether there was any forecast income in respect of T Levels which would now not be realised. The Deputy Principal (Curriculum & Quality) informed the Board that this was £100,000 which would be reabsorbed into the 16-18 allocation. The Chief Operating Officer confirmed any variance would need to be managed, as in prior years, within the College's overall financial planning and monitoring for the current year.

12 Confirmation of going concern

The Vice Chair reported that the going concern position had been scrutinised at the most recent meeting of the Finance & General Purposes Committee. The Vice Chair confirmed that the College continued to be a going concern.

13 Risk management

The Chief Operating Officer introduced a paper outlining the College's approach to risk management, which formed an important part of the College's system of internal controls. The College's risk management arrangements were aligned to the risk management policy, and the College leadership team were re-evaluating the risks identified by the College. These risks would be presented to the next Audit Committee and Board meetings.

The Chief Operating Officer reported that the Audit Committee had discussed whether the number of strategic risks could be rationalised, and whether the number of risks rated as red more than halfway through the year was correct. The Chief Operating Officer reported that the risks were updated regularly. The Chief Operating Officer reminded the Board that the risk assurance framework and mitigations were captured and set out within the Strategic Risk Register. The Chair of the Curriculum & Quality Committee noted that committees had responsibility for scrutinising risks within their remit.

14 Estates

The Chief Operating Officer spoke to the Estates update paper, which had been discussed at the recent meeting of the Finance & General Purposes Committee. The College had engaged Peter Marsh Consulting to commence the early phases of RIBA Stage 3 in respect of the Hammersmith site, within the budget allocated for the current year. The Chief Operating Officer reminded the Board that the College had been allocated £4.2m from the DfE under the Further Education Capital Transformation Fund (FECTF), of which approximately £1m had been received so far. While the funds were very welcome, the funding gap for redevelopment of the Hammersmith remained significant. The College was considering options in terms of rationalisation of its occupancy of the Hammersmith site, which could present financial and commercial opportunities. Refurbishment works at the Ealing and Southall campuses were ongoing.

Governors asked whether there were other avenues open to the College to secure funding for the redevelopment of the Hammersmith site. The Chief Operating Officer noted that there was unlikely to be another opportunity for a significant bidding opportunity from the DfE in the near future. Governors asked whether there were terms associated with the funds received through the FECTF and the CEO explained that the terms were fairly prescriptive. The Chief Operating Officer noted that underinvestment in the College's estate as a result of financial pressures in previous years meant that £4.2m could be spent quite easily across the three campuses. Governors noted the impact of reclassification on colleges' ability to enter into commercial agreements, and the sustainability and environmental considerations relating to the treatment of embodied carbon.

15 Safeguarding

The Director of Student Services and Safeguarding presented a revised safeguarding policy for the Board's approval, which had been updated in line with amendments made to Keeping Children Safe in Education. The College was ahead of the curve in terms of filtering and monitoring, having introduced Smoothwall the previous year. Updates had been made in respect of the difference between children missing and absent from education, and in terms of recruitment processes. Annual training for all staff had been completed. Governors commented that it was a very thorough paper and policy.

Resolved, That the safeguarding policy be approved.

16 Health & Safety

The Chief Operating Officer spoke to the annual health and safety report for 2022/23, which provided an update on compliance, training and accidents or incidents during the year, of which none had been reportable to the Health and Safety Executive. The proportion of College staff having completed training had improved by 10 percentage points to 95%. A small increase in accidents had been attributed to increased attendance on the estate post-pandemic. Governors noted the College's responsibilities for staff working at home.

Resolved, That the annual health and safety report for 2022/23 be approved.

17 Equality, diversity and inclusion

The Deputy Principal (Curriculum & Quality) presented a paper which sought an extension to the review period for the College's equality, diversity and inclusion policy to allow time for a substantial review of the College's approach to EDI to take place and be presented alongside an annual report covering 2022/23.

Resolved, That the review period for the equality, diversity and inclusion policy be extended to the end of May 2024.

18 Cycle of business

Resolved, That the cycle of business for 2023/24 be approved.

19 Finance & General Purposes Committee (21 September)

The Chair of the Finance & General Purposes Committee reported that the Committee had reviewed the College's management accounts and had a long discussion about distance learning and strengthening reporting arrangements. The Committee had also considered revised terms of reference and the annual HR report.

Resolved, That the revised terms of reference for the Finance & General Purposes Committee be approved.

20 Audit Committee (26 September)

The Chair of the Audit Committee reported that the Committee had discussed the College's approach to risk management and the preparations for the production of the College's annual financial

statements, which would be considered at the next meeting on 28 November. The Committee had discussed recent internal audit reports, including a report on cyber security, which had received 'limited assurance'. The Committee noted that requirements for achieving a good level of cyber security continued to increase, and were keen that the area received the investment that it required. The Chair noted that two recent resignations of Mustafa Sami Qazi and Saad Siddiqui meant that recruitment for governors with Audit and Risk expertise was underway.

Resolved, That Robin Ghurbhurun be appointed to the Audit Committee until 31 December 2023.

Resolved, That the revised terms of reference for the Audit Committee be approved.

21 Search, Governance & Remuneration Committee (3 October)

The Chair of the Search, Governance & Remuneration Committee reported that the Committee had considered matters relating to recruitment of governors, in particular in the light of the campaign for a member of the Audit Committee. The Committee had considered a governance overview paper, and reviewed an updated version of the Corporation's governance improvement action plan. The Chair noted the importance of maximising attendance across Board and Committee meetings, and reported that the Committee had considered whether its new 'amalgamated' form should be continued with. The Committee had reviewed the performance of the College's senior post holders for 2022/23 and agreed their objectives for 2023/24.

Resolved, That the post of Deputy Principal (Planning, Partnerships and Projects) be designated as a 'senior post'.

Resolved, That the senior post holder remuneration policy be approved.

Resolved, That revisions to the Corporation's Instrument and Articles of Government be made, that the previous Standing Orders be rescinded and new Standing Orders be adopted.

Resolved, That the proposed arrangements for the Corporation's external governance review be approved.

Resolved, That the governor expenses policy be approved.

22 Meeting evaluation

The Vice Chair invited comment from those present on the preparations for and conduct of the meeting. Newly appointed governors commented that it had been an interesting and engaging meeting, with well written papers circulated in good time. A governor also commented that it had been a welcoming meeting with insightful comments being made. A governor welcomed the addition of a line to indicate where papers had previously been considered by a committee.

23 Any other business

The Vice Chair reported that he and the Chair of the Search, Governance & Remuneration Committee proposed a social gathering for governors be held. Arrangements would be made and circulated to governors.

24 Next meeting

Tuesday 12 December 2023 at 6.00 pm at the Hammersmith & Fulham campus.