

EASTLEIGH COLLEGE BOARD
MINUTES OF MEETING HELD ON WEDNESDAY 7 JULY 2021, 1700 HRS
USING 'TEAMS'

Present:

Jon Sendell (Chair)	Bernie Topham
Natalie Wigman (Vice-Chair)	Mairead Taylor
James Heaton-Smith	Karen Stanton
Paul Cox (Chief Executive & Principal)	Phil Harris-Bridge
Kerry Matthews	Steve Johnson
Rupert Goodman	
Colin O'Donoghue	

In Attendance:

Peter Joddrell, Deputy Principal (Curriculum and Digital)
Kevin Jones, Vice-Principal (Finance, Funding and Management Information)
Lou Gittens, Vice-Principal Curriculum
Paul Stannard, Vice Principal Quality
Dr Chris Davis OBE, Clerk to the Board

BOARD MEETING

B.22.21 GOVERNORS' MEETING TIME WITHOUT SMT

No matters discussed.

B.23.21 MEMBERSHIP AND BOARD MATTERS

i Apologies

There were apologies from Jem Musselwhite, Sophie Annett and Mairead Taylor who experienced technical problems joining the meeting.

ii Declarations of Interests

There were no declarations of interest financial or otherwise in any item on the agenda.

iii Minutes of the Training Event held on 5 May 2021

The actions from the Training Event held on the 5 May 2021 were reviewed and all the actions were either covered later in the agenda or had been completed.

The minutes of the Training Event held on 5 May 2021 were agreed and signed as a true and accurate record.

iv Matters Arising

There were no further matters arising from the previous meeting.

v Minutes of the 'Special' Board meeting held on 16 June 2021

The actions from the 'Special' Board meeting held on the 16 June 2021 were reviewed and all the actions were either covered later in the agenda or had been completed.

The minutes of the meeting held on 16 June 2021 were agreed and signed as a true and accurate record.

vi Matters Arising

There were no further matters arising from the previous meeting.

vii Retirement of Governor - Steve Johnson

The Chair reported that this was the last meeting attended by Mr Johnson before his retirement as a Governor. He thanked him for all his hard work and efforts and said that it had been a real privilege to work with him.

Mr Jonson thanked the Board and said that the whole experience had been a huge learning curve for him; he acknowledged the tremendous support of the SMT, staff and students at the College.

viii Relinquishment of post of Governor – Julie Richmond (Staff Governor)

The Chair reported that Miss Richmond had now left the College and therefore had relinquished her position as a Staff Governor.

ix Relinquishment of post, Student Governor – Lucas Reynard and Sian Davison

The Chair reported that both Mr Reynard and Miss Davison had completed their respective courses at the College and therefore had relinquished their position as Student Governors.

The Chair wished to record his thanks to both Student Governors for their diligence and high levels of integrity in supporting the Board's work and for representing the student 'voice.

x Appraisal process of the Chair of the Board

Mrs Wigman said that this item had been initiated by the Chair himself and had been discussed by the Remuneration Committee at their previous meeting in May.

She summarised the brief paper produced by the Clerk and asked the Board how they would like to progress with this process.

The Board were fully supportive of the concept and the need to appraise the Chair. It was widely felt that a set of objectives needed to be teased out for the coming year.

Mrs Wigman said that she had highlighted several key points from the Chair's Job Description which she felt should be regarded as standing items in any appraisal:

- The Chair shall ensure that the Board exercises collective responsibility (3).
- The Chair shall encourage all members to work together effectively (3).
- The Chair is responsible for ensuring that the Board exercises control over the strategic direction of the Corporation and that the performance of the Corporation is adequately assessed against the objectives and indicators, which the Board has approved (5).
- The Chair shall endeavour to establish a constructive and supportive, but challenging, working relationship, with the Chief Executive and Principal and the Corporation (8).
- The Chair shall ensure that the Board attempts to maximise its effectiveness through critical self-assessment of its own performance and processes (13)
- The Chair shall play an agreed ambassadorial role on behalf of the Corporation and engage with a range of stakeholders as appropriate (20)

She asked Governors to forward any other objectives they thought should be included in any appraisal of the Chair to the Clerk, who would collate a list of objectives that would then be reviewed and agreed by the Chair of Remuneration and the Chair of the Board.

The Board approved the following process:

- Appraisal to cover each academic year 1 September to 31 August.
- Autumn term, objectives for the coming year to be agreed by the Chair of the Board and the Remuneration Committee.
- Questionnaire containing the objectives to be scored against agreed by the Chair of the Board and the Chair of the Remuneration Committee in February.
- In March of each year the Clerk sends out the agreed questionnaire to all Board members (using 'Survey Monkey' or similar)
- Submission for completed questionnaires by the end of April.
- The Clerk will collate the results and produce a draft report to be reviewed with the Chair of the Board and the Remuneration Committee at their meeting in May and recommended to the full Board in July for approval.

Mrs Topham asked if the appraisal would be for the present year or the following year.

The Board agreed that it would be for the following year (2021 – 2022) and that during the Autumn term 2021, the Remuneration Committee would agree with the Chair of the Board a set of objectives to score against.

Governors approved the process for the appraisal of the Chair of the Board.

B.24.21 GOVERNORS' MONTHLY REPORT

i Financial aspects

Mr Jones provided the Board with the headlines from the May accounts. He reported that the deficit from the forecast had moved to the negative based on the changes identified in the month; in April the accounts were reporting a £300k deficit, which has now been moved up to a £458k deficit. The income has fallen by £408k and the expenditure has dropped by £250k.

The grant funding has been revised down by £165k in the month.

He referred to the uncertainty of performance of some of the Subcontractors as the College gets towards the year-end and the need to forecast down.

The accounts included quite a few adjustments in terms of income for May; the University of Portsmouth which is still significantly up on budget for the year, had been adjusted for late withdrawals, other income line movements were offset by expenditure reductions, and could be some further saving on expenditure against these income reductions.

Expenditure movements included a reduction of subcontractor activity in line with the income movements.

Pay costs kept the same this month, as the in-month target savings have been achieved based on the pay costs tracker report.

In terms of cash flow, the report shows a tighter position this month compared to last month, due to deal with ESFA on the repayment of subcontractor impropriety issue, it had been agreed for the repayment to be in two stages, however after some confusion with ESFA the payment agreed for in May 2022 was actually scheduled for March 2022 (in their financial year). The first payment collection is now scheduled for July 2021

The Capital works and spend are still ongoing, with a significant share of the FE Capital Allocation now spent.

The Financial Health score is at 150, comfortably within the range of 'requires improvement', but the aim is to get back to 'good'.

The loan covenants are to be tested are all fine.

He reported that the College Financial Forecast and Return (CFFR) now enables the College to provide a lot more power in producing statistics, including for the FE Commissioner's benchmarks.

Governors received the Financial aspects of the Governors' Monthly report.

ii Safeguarding update

Mr Stannard said that the numbers follow a similar pattern and the type of incidents being dealt with are also similar for this time of year; many are related to COVID and the normal end-of-year anxiety of students.

He also reported that E-Safe is still being used and the College will continue to scan and monitor campus PCs during the summer.

The Learner Hub is almost complete, and staff are beginning to move in. It is hoped that the opening will take place next Friday, the Hub will then become the College's one-stop shop for front facing learner support.

Governors received the Safeguarding update of the Governors' Monthly report.

iii Matters arising

Mr Cox said that the May report followed on from the work carried out at the Board Training Event in May; he needed to draw attention to the inclusion of a sensitive report from the Counter Terrorism and Prevent department, which follows on from the safeguarding pages in the report. The report contains information which summarises counter terrorism and prevent risks for the region. The report is dated January – December 2020 (the latest version) and is the first time Governors have seen this.

Mr Cox reported that the College had received advice from on-site security, which now contributes to a robust lock down procedure from any internal threat.

There were no further matters arising in the Governors monthly report not covered elsewhere in the agenda.

Governors noted the Financial aspects, Safeguarding update and matters arising from the Governors' Monthly Report.

B.25.21 TO RECEIVE

(Confidential items)

i Deloitte's Review Update

(See Confidential addendum).

Governors received the Deloitte's Review update.

ii Risk Mitigation – Risk 14 (Business Continuity)

(See Confidential addendum)..

Governors received the Risk Mitigation – Risk 14 (Business Continuity).

(End of Confidential items)

iii T Level registration for delivery from the 2023 to 2024 academic year

Mr Jodrell provided an update on the College's submitted intention to deliver T Levels from September 2023. Initially, the subject areas applied for are Childcare (Early Years Education) and Health (Health & Social Care).

Mr Harris-Bridge felt that this was potentially a great marketing and recruitment opportunity for the College, he asked when this would happen and how.

Mr Jodrell responded by saying that this would happen when the College was confident that the submission had been approved. The areas covered were very specific and the College would have to adhere to the advertisement campaigns.

Mr Cox reminded Governors that the College had launched a specific study programme in nursing with the University Hospital Trust about 18 months ago, which was the preamble to the T level submission with a workplace partner secured.

He asked the Board to note that this is unlikely to be growth, this is more likely to replacement for existing qualifications for which the ambition may see the growth in head count.

Governors received the T Level registration for delivery from the 2023 to 2024 academic year.

B.26.21 TO REVIEW

(Confidential items)

- i Ongoing subcontractors matters – update on item 2 from the Board meeting of 16 June 2021**
(See Confidential addendum)..
- ii FEC DA Outcomes (College draft with track changes or final FEC version if received in time)**
(See Confidential addendum)..

(End of Confidential items)

B.27.21 TO APPROVE

i Revenue & Capital Budget 2021/22 and three-year financial forecast.

Mr Jones informed the Board that the budgetary challenges have already been discussed in respect of Scenarios 1 – 6 at the Board Training Event in May and during the recent committee cycle of committee meetings.

The cover paper introduces in terms of the 'story' a new Scenario 7, the most likely scenario to take the College through into next year, backed up by a costed curriculum plan, staff establishment, non-salary budgets and the capital plan that feeds into the budget plan.

He reported that the Revenue & Capital Budget 2021/22 and three-year financial forecast were discussed at the recent meeting of the Finance and General Purposes Committee on the 23 June 2021 and there have been no real changes.

Mr Jones summarised the key points:

- Similar to where we are at present (£410k deficit), with upside potential to be on the positive side of that.
- We do have a cash-flow challenge in March 2023, dropping below the redline for the minimum cash covenant, unlike March 2022 and March 24 where the graph shows touching the line, but can be handled through careful cash management.
- 2022/23 potential to get to a small surplus position.
- 2023/24 potential to consolidate that surplus position.
- Demonstrates strategic direction.

The College is looking at a budget next year that moves away from subcontracting, recovery from COVID-19, the loss of the GLA grant, consolidating staffing and the College changing its processes and activities. A need to focus on the new College strategy by increasing more direct delivery which will need resourcing. 2021/22 will be the most challenging year of the move to the new strategy.

The SMT are proposing that scenario 7 is the route to take, forecasting a deficit of £410k approximately, which is similar to the forecast the College has been working on in the present year. Effectively standing still financially but working harder to achieve this.

Mr Jones then referred to the separate Sensitivity Analysis paper, which he said should be considered alongside the budget and forecast report that seeks approval for the College's 2021/22 budget and forecasts for 2022/23 and 2023/24.

He said that the paper doesn't include an upside, however there is room for an upside as well. High targets have been set in the curriculum plan, which he said are achievable.

Mr Jones concluded by saying that a deficit budget of £410k was the realistic budget to be put before the Board and therefore presented to the ESFA.

Mr Johnson reiterated what he had said at F&GP that this was a good balanced budget, not too prudent moving forward.

Mrs Stannard said it was a really clear summary, however she did have a question around the pay assumptions built in, there was no pay award allocated; there are increments for staff not at the top of their scale, what percentage of those staff would be getting pay increments against those staff who would not receive a pay award at all.

Mr Jones said very few, most staff are at the bar and increments are already built in.

Governors approved the Revenue & Capital Budget 2021/22 and three-year financial forecast .

ii Financial Regulations & Procedures

Mr Jones reported that the regulations had been reviewed at the F&GP meeting on the 23 June 2021.

He summarised the edits and amendments made:

- New structure of SMT, title changes management rolls.
- Schedule 3 and 13 were saying the same thing, they have now been merged.
- Financial limits relating to fees, specifically with regard to HE, £1000 changed to £10000, appropriate at Vice Principal level.
- Updates for removal of processes relating to cash with more use of cards.

Governors approved the Financial Regulations & Procedures.

iii Remuneration Committee Annual Statement for the year August 2020 - July 2021 (in line with AOC Colleges Senior Staff Remuneration Code)

Mrs Wigman said that the statement was a requirement of the Senior Post Holders Remuneration Code and covered the 12-month period from 1 August 2020 to the 31 July 2021.

The annual statement reports on the following areas of the Committee's business:

- Decision making process
- External Appointments and expenses
- Median earnings of the Chief Executive and Principal

The Clerk informed Governors that the statement would now be published on the College's website in line with AOC Colleges Senior Staff Remuneration Code.

Governors approved the Remuneration Committee Annual Statement for the year August 2020 - July 2021.

iv College KPI 2021/22 to 2023/24

Mr Cox explained that the College KPI 2021/22 to 2023/24 had travelled from the Board Training Event in May and through the recent committee and 'Special' Board cycle of meetings as previously discussed.

Mr Harris-Bridge asked how this will be reported back to committees and Board in the future.

Mr Cox responded by saying that after the reporting of period R14 during the Autumn term there is a plan for the MIS team to report for each of these and will effectively become a replacement for the Governors' monthly report. It will be reported as the 'horizon' (the goal) the current situation and the projectory (starter point to current against finish).

Mr Cox concluded by saying that the Governors' monthly report will gradually be assumed by the College KPIs (hopefully by December or January), together with the monthly accounts and safeguarding aspects. The new format will ultimately come back to the Board to ensure that everything is aligned to everything we are trying to achieve.

Governors approved the College KPI 2021/22 to 2023/24.

v Annual Report structure and contents

Mr Cox said that this was the same as the previous item, it has travelled a similar journey through committees and Board and has also been shared with FEC who were positive in how this will develop.

Governors approved Annual Report structure and contents.

vi Peridot recruitment of two additional governors

The Chair reminded Governors that a new recommendation from the outcomes of the FEC DA asked for the Board to appoint additional independent members with experience of further education, particularly quality and curriculum.

There was he said vacancies on the Board at this time with the departure of Steve Johnson and Gemma Baker.

The paper previously distributed was a quote from Peridot for the appointment of two Governors with FE experience and skills. He said that Peridot had previously been engaged to appoint six new governors; the company were very professional and had achieved excellent results.

He asked for the Board's approval to engage Peridot at a cost of £9500, plus VAT, to secure the appointment of two new independent governors with an FE experience background and skills.

He said he would ask for a clause in the contract (as previously agreed in the last contract with Peridot) that stipulates a reduction in fees / credit if a governor left within six-months.

The Clerk said he would investigate this clause and use the previous contract with Peridot as the template moving forward.

ACTION: CD

Mrs Topham was more than happy with Peridot, however she asked for more inclusion of diversity characteristics within the schedule for appointment.

Mr Cox said that the Board should be reassured that this matter is in hand and would be fully compliant with current employment legislation, as indeed it had been during the last round of appointments.

Governors approved the proposal to secure Peridot in the recruitment of two additional governors with an FE experience background and skills at a cost of £9500, plus VAT.

B.28.21 TO CONSIDER

i Confidential items

Governors agreed that agenda items 4.i, ii, 5.i, ii would be determined as a confidential agenda item and will be annotated as such within the minutes of the meeting.

Mr Johnson asked for all committee meeting minutes to be added to Boards agendas rather than being sent out via email. He said this was a useful tool and helpful to gain a broad grounding and understanding of all subject matters and to receive Board input on headline issues.

The Chair said this was a very important part of all Board meetings, however there were times when the Board agendas were so time limited that something had to give. Board members had received the committee minutes but would be reinstated as an agenda item moving forward,

ACTION: CD

B.29.21

AOB

i

Retirement Lou Gittens

The Chair thanked Ms Gittens for all her years of service to the College. Her inspiration, dedication and exemplary service to students and staff will be sadly missed.

Ms Gittens thanked the Board.

ii

Retirement of the Clerk

The Chair reported that the Clerk had decided to retire at the end of the year. He said a replacement was needed and that all options will be looked at.

He asked for the Board's agreement to allow the triumvirate (Chair, Chief Executive and Principal and Clerk) to recommend the potential route for the appointment of the new Clerk. Feedback was also very welcome from Board members and should be fed in via the Clerk. He said that recommendations would be made to the Board for approval at their Training Event in September.

Governors agreed to allow the triumvirate to recommend the potential route for the appointment of the new Clerk and bring back to the Board in September 2021.

Date of next meeting

Wednesday 29 September 2021, 1700

Board Training Event

The meeting concluded at 1845.