

**EASTLEIGH COLLEGE BOARD
MINUTES OF MEETING HELD ON WEDNESDAY 6 JULY 2022, 1700 HRS
IN EAST AVENUE RESTAURANT & VIA TEAMS**

Present:

Paul Cox (Chief Executive & Principal)
Colin O'Donoghue
Phil Harris-Bridge
Alison Caplin
Fiona Stilwell
Rupert Goodman
Sophie Annett (via Teams)
Bernie Topham (via Teams)
Jon Sendell
Karen Stanton (via Teams)
Victoria Whitehead
Simon Winkworth

In Attendance:

Peter Joddrell, Deputy Principal (Curriculum and Digital)
Kevin Jones, Vice Principal (Finance, Funding and Management Information)
Paul Stannard, Vice Principal (Quality, Compliance, and Improvement)
Mickiela Blake, Head of HR & Talent Development
Fiona Chalk, (Governance Advisor)

BOARD MEETING

Confidential minute

B.45.22 Governors' meeting time without SMT

City Wide Solution Update

See confidential minute

B.46.22 MEMBERSHIP AND BOARD MATTERS

i. Apologies

Natalie Wigman (Vice-Chair), James Heaton-Smith, Gillian Sommers, Cassidy Fieldsend,

ii. Declarations of interests

None declared.

iii. Minutes of Meeting help on 23rd March 2022

The minutes were agreed as an accurate record of the meeting and signed.

iv. Matters arising

Flexible working – Governors asked how the policy implementation is progressing. There has been advertising internally and externally. More interest has been received from external candidates, 2 around flexible working and 7 on flexible pay. New colleagues recruited to 6 posts, have taken up opportunities at the college based on 1 or more of the flexibilities. Both lecturers and technicians have stated that the flexibilities were attractive.

Interestingly, some applicants have used the policy as a bargaining tool to get greater flexibility in their existing job. It is too early to say if the policy is having any discernible impact, but it has had a positive effect in recruiting to technical areas. Monitoring of its implementation will continue and will be reported to the Board.

v. Minutes of Training Event held on 4th May 2022

The minutes were agreed as an accurate record of the meeting and signed.

vi. Matters arising

vii. Minutes of 'Special' meeting held on 8th June 2022

The minutes were agreed as an accurate record of the meeting and signed.

(PHB arrived)

viii. Matters arising

The Board agreed that the above minutes will be reviewed by the CEO and the Governance Professional, to ensure all confidentiality is preserved, particularly around commercial activity.

PC/FC to review the recent Board minutes to ensure the protect confidential matters.

ix. Election of 2nd Vice-Chair

No nominations were received for the position of Vice-Chair. It was noted that succession for the Chair doesn't necessarily come from a Vice-Chair, and this matter of recruiting two Vice-Chairs will be considered again in the Autumn Term.

The Board resolved that PHB produce a Vice-Chair role description to give clarity to the role.

PHB to produce a Vice-Chair role description

Confidential minute

B.47.22 GOVERNORS' MONTHLY REPORT – MAY 2022

i. Financial aspects

See confidential minute

ii. Safeguarding update

Governors noted that historic information shows a big spike in-year, due to information being received late. This is also due to the enrolment of students such as asylum seekers, where typically there is a delay in receiving background information. The 3-year trend shows that the data for this year shows stability. The college is doing a lot of work with these learners, particularly around suicide identification. There are some students with ongoing mental health difficulties, not in the least part due to exams, which have been missing over the last 2 years due to the pandemic.

Governors were reminded to ensure they studied the safeguarding monthly report and to refer any questions to PS. The next monthly report will see a drop off in numbers in June due to learners finishing earlier following the prioritisation on learning at the start of the year due to fears of another lockdown.

All governors to review the Safeguarding pages of the governors' monthly report.

TO RECEIVE

B.48.22 College House update

Governors noted that the consultation for the closure of the College's residential provision ended on 14/06/2022, with the outcome that the residential provision will cease from July 2022 with no planned new intake in September 2022. The provision will be removed from all College collateral, policies and procedures including the website through July and August 2022. Negotiations are ongoing with the local authority in relation to the use of the site and the long-standing lease agreement.

The decision was made after completing the following activities and taking the following into consideration:

- Analysis of Post-16 residential learner numbers over the previous 5 years. 2022/23 was forecast to be the lowest possible intake for 5 years.
- That the College is achieving growth in Supported Employment, Internship and Apprenticeship provision as such the nature of demand is changing.

- That closing College House will not impact the enrolment of any Supported Learning learner due to study at the College in 2022/23.
- Conversations with the local authority who confirmed that their preference was to move away from residential provision to a 'living experience' model which would see day learners gain valuable independent living skills.
- That the local authority was not commissioning any new residential provision in Hampshire.
- The growth in Supported Internships and the College's deliberate shift to focus on Supported Apprenticeship provision to support young people with SEN into employment.
- That the current model was forecast to make a significant loss once all non-salary and salary costs had been considered for the 2022/23 year based on occupancy of 10 learners.
- The potential overall loss for 2021/22 could reach approximately £50k based on current non-salary and salary costs when compared to income.
- Reduction in complexity with the removal of the Social Care Inspection of residential provision

The college received only 3 enquiries for residential provision this year, and no-applicants. This reduction is largely due to the way the Local Authority are changing the way they see this provision. Support is now more focused on day provision and living experience, where students can learn skills and practice them at home, so this provision has come to a natural end. Costs did show a considerable loss was inevitable if the provision remained open. Governors noted that there is a longstanding lease and questioned the risks attached to this. The college can voluntarily not continue with the lease and is getting a valuation of the lease. There has been a considerable amount spend on the property to keep it up to the required standards.

B.49.22 Ofsted readiness for governors – introduction

Governors noted that Eastleigh was last inspected in 2018 and as per inspection cycles is fully in scope for an inspection within the next 3 academic years based on current guidance. Given the CWS position, subcontracting exit, improprieties and despite the FEC diagnostic process, the College could be inspected early in the cycle. As such readiness is being planned from October 2022.

Governors noted the proposal of a training programme to be delivered by senior managers and the CEO, to include: The 'Enhanced Skills Inspection' methodology, The College's strategy and vision, Safeguarding, Equality & College culture, The College's curriculum, The Quality of provision, Effective management of college resources.

There is now a separate inspection running alongside the usual inspection, which will get 6 days' notice, and this is for an Enhanced Skills Inspection. PJ is the lead for this inspection, where inspectors will meet with employers and civic/community groups, as well as governors and leadership. Members of Standards Committee will be involved in Skills Inspection and Chair/VC as part of the Leadership and Management inspection. The Safeguarding Lead governors will also be involved as part of the latter inspection.

Governors thanked management for the report, and agreed for PHB to support training delivery in September, given his recent experience as a governor of an inspection under the new framework.

B.50.22 IoT implementation and timeline

The South Coast IoT is led by Solent University and a number of partners. The funding received by the college is to convert the main hall at the college. Costing for the project now have to be done centrally, which has seen the cost grow. The latest costing requires a further £100k contribution. It is hoped the project will come in cheaper and the college will use some other sources of funding to reduce this cost. Confirmation that this project can proceed is awaited. There have been concerns due to 85% of curriculum offer having to be at Level 4 or above and a reduced number of level 3 learners allocated to Eastleigh. This has now been resolved and 60 further level 3 learners have been allocated that feed directly into level 4 and 5 provision.

B.51.22 Governor Link Governor Visit Programme 2022-23

The revised programme of extended links across the college was noted, including a governor who will now attend the H&S management board within the college.

TO APPROVE

B.52.22 Revenue & Capital Budget 2022/23 and three-year financial forecast

The Board is asked to approve the budget for 2022/23 and forecast for 2023/24 and for this to be included in the report to ESFA due by 31 July 2022.

Governors noted:

- the use of a costed curriculum plan, built on discussions with Heads of Delivery, and linked to resources. This is the second year of using this methodology to drive the planning on the income side of budget.
- this year, salary predictions stronger and Eastleigh College Online has launched and run for a year, giving more sure income predictions, resulting in a firmer income base for the college overall.
- non salary costs have increased and through carbon management, the college is seeking better value for money.
- A number of the provisions in the budget from last year, remain.
- cashflow projections highlight issues in March 23 /July 23 /March 24, for which the college is taking mitigating actions to manage cashflow, primarily through discussions and actions with the college's lender.

The core principals of the budget were noted to:

- deliver 3% growth over 2021/22 for total income
- To achieve a financial health score of Requires Improvement with a score of 150 points
- Reduce reliance on subcontracting
- To agree a staffing budget including a consolidated pay increase
- To agree a staffing budget based on total establishment costs less 3% for staff vacancies

the first 2 of which are KPMs.

Income is reduced for Traineeships (£793k) and franchised higher education (£474k) to reflect realistic projections with scope for improvement in year. The underlying movement from May 2022 forecast is £443k for EBITDA and £488k on surplus before FRS102 adjustments.

Key risks to budget were noted to include:

- national skills fund re-allocation for next year, with some learners already in place and opportunity to recruit throughout the year.
- 13 to minus 1, about 4 months before course commencements, there will be a review of recruitment to each course. There is allocated, an extra £250k for external marketing on recruitment due to the very competitive environment for direct delivery.
- 103% target against adult skills which makes growth for the following years consolidated income growth.
- The need to recruit and retain staff.

The college has a clear 3 step approach of planning, focused delivery, and follow up on delivery, which gives an ever-improving direct delivery process.

The financial trajectory shows the college will reach a small surplus in 2023 and financial health score of good at 180.

Governors asked if any of the income in the budget is aligned to the marketing spend built into this budget? Not directly, but it supports the achievement of the recruitment numbers in the budget. It is spent along the 13 – minus 1 reviews and decisions, as courses are reviewed throughout the year. The total non-pay and pay resources now equate to around 5% of gross income and following

discussion this approach was supported by governors. Different approaches for marketing are required for different markets, and these and their success will be scrutinised and reported on.

Governors asked management's rationale for having £262k deficit and spending of £250k on marketing for which there may be no guaranteed benefit? The college does not need to achieve the KPM on income a year early than planned, and it is anticipated the marketing will help drive growth that can then feed into future years. It was noted by some governors that in the previous downturn in the economy, marketing budgets were often cut first and this was proven to be the wrong strategy.

It was acknowledged that recruitment at this level is new for the college, having previously relied on sub-contractors to carry out recruitment.

The Corporation resolved to approve the budget for 2022/23.

B.53.22 College KPI 2022/23 to 2023/24 – overview and update recommendations

It is noted that the KPMs are rag-rated in the monthly report to governors.

There are some minor adjustments proposed relating to five of the KPMs.

1. Existing KPM ML1: The Governors' Monthly Report has outlined that despite external data and benchmarking showing that we are outperforming the national General Further Education College (GfE) recruitment trends for both 16-19 and adult funded provision, our performance on full cost, apprenticeships and HE has proven more difficult as all three have been impacted by the pandemic.

As such whilst this KPI is green against the enrolment measure the College needs to focus on income as given the mix of funding we could enrol significant numbers of adults on perhaps low funding rates and lower numbers elsewhere and therefore exceed the enrolment measure but not meet income targets. As such it is recommended that the Board approve changing this measure from enrolment to directly delivered funding. For example, a

3% increase in directly delivered funding from a start point of circa £16m would be £480K.

This makes the KPI more challenging and the final 3% directly delivered funding growth target would not be able to be confirmed until the 2021/22 year is confirmed at R14 (return 14/14 in an academic and financial year). Linking to the proposed budget paper in this Board meeting, this value would relate to 'Net Income (excluding fees and charges)' outlined earlier in the meeting.

2. Existing KPM ML4: Focuses on external award nominations, which the college want to make more challenging and ambitious to focus on 'wins'. This edit reflects the revised focus on output not activity, and remains as ML4.

3. Existing KPM MS7: Is focused on the internal learner surveys. The college wants to make this a sharper KPM with a focus only on the question 'I would recommend the College to a friend'.

This is an all-encompassing measure of the holistic learner experience. The remaining survey questions would be seen as diagnostic measures where they may be movement (both positive and negative) in the recommend measure. This is shown noted as MS7.

4. Existing KPM MS8: Is now confirmed as an obsolete measure as the DfE have ceased the FE Choices survey. As such this is now not shown in reporting. FE Choices also included an employer measure, and this is now a gap in reporting. In 2022/23 the college will explore how the college could use its internal survey platforms for its employers.

5. Existing KPM MO7: Over the period of the first year of implementation the college have concluded that this measure of surplus is a very similar deliverable as the EBITDA KPI (MO1). As such it is proposed as removed and is not included in reporting.

6. Existing KPM MO9: Linked to the Remuneration Policy this is a decision that could see the College no longer prioritise staff pay to income if other measures set out in the Remuneration Policy are met. It is proposed it be removed from reporting. The ESFA and FEC have stated that if the organisation is in a healthy state, then a 65% of staffing to cost ratio is not necessarily helpful.

Governors supported the proposed change, and questioned why More Learners ML7 and 8 are rag-rated red - is it an issue of capacity? The team have been in place since the beginning of the year and were not at full capacity until the Spring, so they are a new team which is improving over time, it was noted performance had been closer to KPM in recent months.

The Board resolved to accept all the proposed changes to the KPMs.

B.54.22 Sub-Contracting 2022-2023

Subcontracting Contracts and Values 2022/23

Subcontracting procurement proposals have travelled via the Finance and general purposes committee in relation to procurement process and values.

Consistent with the College's strategy the College is entering procurement for delivery in identified specialisms. These are areas wholly aligned to the College specialisms, strengths and the needs of local, regional, and national employers based on Vector employment statistics, local market intelligence and employment trends.

- Health, science, care and public services
- Construction and building services with a focus on sustainability and green energy

Subcontractor procurement process 2022/23.

(Appendix 1 provides contracts finder exemplar compliant with Subcontracting Standard)

The timeline for the procurement is as follows:

- 30th June 2022: Launch
- 15th July 2022: Closing date for Pre-Qualification Questionnaire (PQQ) returns and due diligence
- 18th – 22nd July 2022: Shortlisting and scoring (including financial health)
- 25th – 29th July 2022: Interview panels (including quality assessment)
- 1st August 2022: Procurement conclusion and awards
- 2nd-12th August 2022: Standstill period
- 15th August 2022 Contracts issued for signing*

The College recently submitted an exemption case to the Education and Skills Funding Agency (ESFA) to subcontract over 25% of our total AEB funding grant. The update to subcontracting rules stipulate that colleges and providers must seek approval from the ESFA if they intend to subcontract over 25% of any grant allocation. The college has received verbal confirmation that its exemption case has been supported, however it awaits formal confirmation and hopes to hear this week.

If, in the unlikely event the college does not receive formal written confirmation or any further queries arise, the college can stop the procurement process at any time without any penalty.

It was proposed as per the College's strategy, that the College will procure for subcontracted adult education budget (AEB) Adult Skills provision for the 2022/23 academic year in line with the strategic priority of increasing the volume of direct delivery and reducing the historical and any future reliance on subcontracting. It is proposed that the college will enter procurement negotiations for an 'up to' figure to ensure any internal College growth is not stifled by the awarding of subcontracted contracts. 6 training providers have expressed an interest on the portal.

Eversheds are ensuring all contracts are compliance with the new sub-contracting funding rules and the college has used their template documents. Once the exemption request is approved, the contracts will be signed.

The Board resolved to:

- Approve the start of the procurement process for 2022/23 pending formal confirmation of the successful exemption case request
- Approve subcontractor procurement for 2022/23

PS to commence the procurement process for sub-contracting

B.55.22 Cordie Workstreams and Acquisition recommendations

See confidential minute

B.56.22 Skills Bill Curriculum Engagement and LSIP approach – approval of timelines and content

Governors noted the College's intended timeline, focus and implementation of the Skills Bill Improvement Plan, which will be included in the college's current key documents such as Annual Report.

This document will include some employer testimonials and feedback, using a broad range of employers, the joint curriculum intent statement from Barton Peveril and Eastleigh College for curriculum offer for Eastleigh, mapping of learners' travel, employers' locations, and a link back to the college's strategic plan. The views of stakeholders are being sought through business breakfasts and stakeholder engagement webinars. This Improvement Plan will be updated every 2 years, reported as part of the annual report each year, and form part of the college development plan, which is ongoing.

Governors questioned the title of the document, stating that 'improvement' signifies resolving a problem. The word 'development' might be more appropriate. There is a Local Skills Improvement Plan for every area of the country, so the proposed document title links into this, hence the title. This document needs to be more offensive in nature given the current work in the Southampton area around CWS and future LSIP. Governors asked how the Learner Voice is included in the plan. The Curriculum Specialism guide in the Plan will have learner testimonials. This document, together with the Annual report, were noted as being key documents for governors.

Governors questioned how the Plan's effectiveness is to be measured, this being a key part of the bi-annual review and update. The intent of the Plan is aligned to the KPIs and KPMs, which are measured and evidenced. The Link governor programme now has a greater skills focus, and scrutiny of the Plan's implementation can form part of those visits.

B.57.22 FOI Publication Scheme

Governors were asked to review and approve the Freedom of Information Act 2000 Publication Scheme. Governors noted the update report included updates to College branding, restructured department names, updated staffing roles, latest policies and committee structures.

The Board resolved to approve the update FOI Publication scheme.

B.58.22 CONSENT AGENDA

The recommendations from all the committees were taken under 1 consent agenda item, and the Board resolved to approve the recommendations.

See confidential minute

B.58.22 Remuneration Committee recommendations:

- i. Note the minutes
- ii. Approve the Remunerations Committee Annual Statement for the year August 2021 – July 2022 (in line with AOC Colleges Senior Staff Remuneration Code)
- iii. Approve the Senior Postholder Remuneration Policy
- iv. Approve RemCo Terms of Reference

B.59.22 Audit Committee recommendations:

- i. Note the minutes
- ii. Approval of the Internal Audit plan 22/23

B.60.22 Standards Committee recommendations:

- i. Note the minutes

B.61.22 F&GP Committee recommendations:

- i. Note the minutes
- ii. Approve the Remuneration Policy and Pay Structure

B.62.22 Search & Governance Committee recommendations:

- i. Note of minutes

- ii. Note actions from appraisal of the Chair of the Board
- iii. Approve A Caplin and F Stillwell first full term of office
- iv. Approve meeting dates for 22/23
- v. To note a self-assessment questionnaire for governors and the executive was approved and will be circulated
- vi. To note the action plan for greater compliance with the Code of Governance in 22-23

TO CONSIDER

B.63.22 Confidential items

B.64.22 AOB

Governors are encouraged to attend on 22nd July, the Staff Lunch and Awards, and the governors' Xmas dinner 8th December

Governors discussed whether meetings should continue to be hybrid.

The Board resolved that going forwards, Committee meetings will take place on Teams, and Board meetings and Training events will be in person. The Chair asked that when persons are unable to attend a Board meeting, they should give apologies rather than ask to attend virtually.

B.65.22 Date of next meeting: Board Training Event

Wednesday 28th September 2022, 1700 hrs at Eastleigh College.