

## MINUTES OF THE EASTLEIGH COLLEGE COMMITTEE

Meeting	Board meeting		
Date	27 February 2023	Time	17.00
Venue	East Avenue, Eastleigh College		
Chair	Jon Sendell		
<b>BOARD MEMBERS:</b> Jon Sendell (Chair); Paul Cox (CEO); Sophie Annett; Alison Caplin; Rupert Goodman; Sarah Harder-Collins; Phil Harris-Bridge; James Heaton-Smith; Colin O'Donoghue; Gillian Sommers; Fiona Stilwell; Bernie Topham; Victoria Whitehead; Natalie Wigman; Simon Winkworth.			
<b>IN ATTENDANCE:</b> Mickiela Blake (Director of People and Talent); Paul Stannard Vice Principal (Quality, Compliance, and Improvement); Nicky Tramaseur, (Director of Brand, engagement and Learner Recruitment); Ra Hamilton-Burns; (Governance Advisor).			

**RED** in the left-hand column indicates an item is confidential

**BLUE** in the left-hand column indicates that the item has been scrutinised by a Committee and was delegated to them

	<b>Part A</b>
	<b>Board matters and membership</b>
<b>1</b>	<p><b>Election of Chair and Vice Chair</b></p> <p>Nominations had only been received for Natalie Wigman and the Board were delighted to confirm that she is confirmed as Chair from 1 April 2023.</p> <p>Ra Hamilton-Burns confirmed that no nominations had been received for the role of Vice Chair. Phil Harris-Bridge has returned from his holiday and has indicated to the Clerk that he would discuss the matter with Natalie Wigman.</p> <p><b>ACTION: RHB to put PHB in touch with NW to discuss Vice Chair role</b></p>
<b>2.i</b>	<p><b>APOLOGIES FOR ABSENCE</b></p> <p>Natalie Wigman, Bernie Topham, Alison Caplin and James Heaton-Smith had sent apologies.</p> <p>Jon Sendell informed the Board that, very sadly, Bernie Topham's husband had died. A card has been sent on behalf of the Board and members asked that their sincere condolences be sent to her.</p>

2.ii	<p><b>Welcome and introduction of new student governor</b></p> <p>Heidi Stevens had been expected to join the Board but has not responded to numerous emails inviting her to an induction session and to make arrangements to complete the paperwork.</p> <p>Jess Munday has indicated that another student governor is interested in the role. Ra Hamilton-Burns is awaiting contact details.</p> <p><b>ACTION: PS to coordinate this with RHB</b></p>
2.iii	<p><b>DECLARATIONS OF INTEREST</b></p> <p>There were none.</p>
2.iv	<p><b>MINUTES OF THE PREVIOUS MEETINGS</b></p> <p>The minutes of the Board meeting held on 25 January 2023 were agreed as a true record of the meeting and signed by the Chair.</p> <p><b>AGREED: THE BOARD AGREED THAT THE MINUTES OF THE MEETINGS HELD ON 25 JANUARY 2023 WERE A TRUE AND ACCURATE RECORD.</b></p> <p><b>NOTED – THE BOARD NOTED THE ELECTRONIC RESOLUTION TO APPROVE THE SPH GRIEVANCE AND DAW PROCEDURE</b></p>
2.v	<p><b>MATTERS ARISING</b></p> <p><i>Ra Hamilton-Burns offered an update on the matters arising.</i></p> <p>RHB had sent the Future Skills Plan and Process / Timeline for stakeholder engagement document to all Governance Professionals in Hampshire and Isle of Wight after the January 2023 Board meeting to take account of the Strategic Development Fund intent.</p> <p><i>Sarah Harder Collins and Simon Winkworth joined the meeting at 17.05</i></p>
3	<p><b>GOVERNORS' MONTHLY REPORT CIRCULATED ON 24 FEBRUARY VIA TEAMS</b></p> <p>Richard Allanach said that he was indebted to Colin O'Donoghue who had pointed out that there was a discrepancy in the management accounts. The income and expenditure (I&amp;E) forecast is reported on the basis of the ESFA not approving the exceptional funding (EF) request, whilst the cash flow forecast was presented on the basis of the EF request being approved. Richard Allanach has altered the I and E forecast and has provided a copy of the latest version of the management accounts to the Clerk for the FGP Committee to receive at their meeting next week.</p> <p>He reminded the Board that a difference should be distinguished between the performance of the college and the college's knowledge of its performance. Richard Allanach was not aware of any radical difference in the performance during the month of January 2023 but there is a change in its reported performance as more is known. A deterioration of £550k in the forecast I&amp;E performance for the year is due to the increase in knowledge. This was due to two things:</p> <ul style="list-style-type: none"> <li>• The College has double accounted income for 16-18 students with an EHCP for 38 learners in the earlier forecast and that has now been corrected which has led to a reduction of income by £228k</li> <li>• Improved management of college creditors meant that a significant number of</li> </ul>

	<p>invoices were flushed out of the system which led to accruals and charges of £300k expenditure for non-staff costs this month.</p> <p>These changes have reduced the cashflow forecast but nonetheless subject to receipt of EF from the SFA the College should remain solvent to July 2024. Governors thanked Richard Allanach for his report and asked how invoices had been updated and if the College can be assured that there are no more to be flushed out. He was not able to guarantee that there are no more invoices to uncover. It has been suggested that the report should indicate the degree of trust in the report and the colour coding used indicates this in appendix 1 of the management accounts. One of the figures is colour coded orange and this relates to forecast non-staff expenditure as it is the least certain.</p> <p>Members asked from where these invoices were discovered. It was a result of invoices from suppliers that had been expected but had not been provided and these were from all areas across the College. Governors asked if an approved, three-way match process was in place. All invoices had not been matched to a purchase order and this is being addressed as a quality issue in the college. Paul Stannard has already convened meetings with managers to ensure compliance to College processes. This has led to an increase in the correct procedure being used. The Board asked if there was a risk that the invoices may not be linked to goods or services that had been received. There is a low risk as the managers are required to sign off the invoices.</p> <p>Governors asked how the EHCP double counting had occurred for 38 students and if it related to element 2. RA is unsure and there are colleagues in the College who believe that this has not occurred. This is being investigated. In many areas element 2 is paid directly. This relates to element 3 paid for by the local authority and in the case of Hampshire County Council, who intend to pay for element 2 (which is unusual), as well as element 3. It is clear that 38 students who are being paid for by the Government, has led to the conclusion that the College has over forecast. The College is investigating the position to test the assumptions and clarify. Gill Sommers said that the College should know how many learners are to be funded for element 2 well in advance and noted that payments for element 3 have historically been delayed.</p> <p>[After the meeting the investigation concluded that the IFD had under-estimated the amount of element 3 funding which the local education authorities should pay the college. As a result in the management accounts for February the corporation should see the forecast income for this line improve by £100k – only £39k worse than the budget for the year.]</p> <p><b>Emergency Funding request.</b> Paul Cox, Jon Sendell and Richard Allanach had met with ESFA, PMO and FEC on 23 February 2023 and the request for emergency funding (EF) will be considered at the ESFA's Finance Cases Committee meeting on 15 March and there is currently no indication that this will not be supported. There was a discussion about the possibility that the merger may fall away and the College was asked by civil servants if it had a standalone option. Paul Cox reminded governors that the College had recognised it needed to be part of a larger entity and earlier merger efforts in 2018 and 2020 had not been successful. In June 2022 the EC Board had resolved that the College could not achieve its ambitions as a standalone entity, and that learners, colleagues, employers and the community needed to be able to benefit from the same efficiencies and organisational influence tat group Colleges could achieve. Following this resolution and the confirmation of debt consolidation and capital funding being part of the City Wide Solution (CWS) was approved by the Board to be its preferred merger approach. The fallback position if the current merger does not happen, would be to rapidly seek another partner to achieve the strategic direction of merger. The College would need to seek a clean slate or fresh start position to pursue such an option.</p>
--	---

**Commented [RA1]:** I do not believe that is the real name of the committee. I am fairly certain its membership extends beyond those civil servants branded as ESFA and possibly even beyond the DfE itself. However sadly I do not know the real name of this committee.

The EF request for the period June 2023- 2024 predicted the funds needed if the College does not merge and includes full payment of the Lloyds Bank loans.

Governors asked what insight the three agencies had into the plan b discussed before the CWS option had been chosen and if that plan b with Basingstoke was still viable. Paul Cox said that the Board would look at all options which would include Havant and South Downs or the Chichester group, Barton Peveril, Activate Group which are all options. There was discussion about this at the ESFA meeting and also that a two-way merger with City College Southampton was also discussed as an option. There was also a mention of the possibility that the College might close but JS expressed that this was not acceptable. PC added that this last option had been discussed to consider all possibilities rather than he felt a realistic option.

Jon Sendell said that the meeting was very supportive and went as well as it could be hoped. He was also gratified that the ESFA is not currently minded to publish the Financial Notice to Improve which is taken as a vote of confidence in Eastleigh College Board and SMT.

The ESFA has not sought to place colleagues as observers and they had reserved the right to publish. Paul Cox had directly liaised with the College's designated Further Education Commissioner whilst Richard Allanach had been away and had been offered accelerated profile payments and this has been provided without request and is an indication of support. The Board recognised that this support needs to be gratefully received and carefully managed. The combined will to find the most appropriate solution for students is very positive. Richard Allanach commented that of the last four colleges at which he worked Eastleigh College is the only one not to have ESFA observers on the Board so the fact that they have not placed one on the EC board is also a positive.

Richard Allanach reminded the Board that the Emergency Funding Application is on the FGP Committee agenda for 6 March 2023 and governors will have an opportunity to discuss it in more detail there. On the 17 February 2023 the EF was submitted, and no questions have been received to date and it is understood that the College's EF application will be considered on 15 March 2023 at their Finance Committee. The EF application had been discussed in detail at the FNTI meeting on 24 February.

Jon Sendell thanked Richard Allanach for joining the College and for providing such an improved insight into the finances.

#### **CEO Summary**

Paul Cox, Chief Executive & Principal offered the following highlights with detail outlined in the report:

##### **Appendix 1: KPI / KPM Performance and Progress – Current**

A total of five 'red' judgements that are largely consistent with the previous update. By exception notes summarises items where required.

##### **Appendix 2: Management Accounts – January**

Declining position from last month which is a result of better understanding the College's position since the arrival of the Interim Director of Finance and the rebasing of College activity.

##### **Appendix 3: Emergency Funding (EF) Request**

This appendix represents the commentary completed to support multiple attachments required by the DfE to be able to consider and approve our request for EF. Our EF application is for first payment in June 2023 and is to cover the period up to July 2024. We had a positive financial notice to improve (FNTI) meeting with the DfE, Education Skills Funding Agency (ESFA), and the Further Education Commissioners (FEC) on Thursday 23 February. Currently there is no indication that we will not get what we

need, this assessment is reinforced by the agencies working quickly to support us. Governors should note this is written in Richard's indomitable style.

**Appendix 4: Risk Management – January**

Continues to contain the summary risk register and the risk matrix.

**Appendix 5: Safeguarding, Prevent and Learner Support monthly report – January**

Governors are asked to ensure that this appendix is read in detail. Total incidents 111 (104 last month). High level learner concerns include a number of challenging cases that the team and College has responded to very well. LAC / CL numbers are 45 this month.

**Appendix 6: Sub-contractor contracts and performance monthly report – January**

No changes this month to contract values. Again, none of the College's subcontractors are currently rated 'red' through the performance monitoring and audit process.

**Appendix 7: Health & Safety monthly report – January**

Abridged management report. 17 incidents reported in this reporting period. No incidents were classified as RIDDOR. Pleased to also be able to share that 'near misses' have been reported over the past two months which is pleasing.

**Appendix 8: Cyber Security monthly report – January**

Abridged management report. Again, a very strong and consistent National Cyber Security Centre (NCSC) scan this month with multiple and increased (nine) positives recorded. The report outlines no urgent and no advisory actions

**Appendix 9: College Development Plan – Current**

Summary of key priorities, actions and focuses linked back to College strategy, continuous improvement ambitions and external (e.g. FEC DA) where needed. Despite the recent and unexpected financial challenge progress continues to be made against a number of priorities. 3

Governors are to note that as a result of the recent position the College is now required to submit a single improvement plan (SIP) to the commissioners. This is referenced in the update and will be discussed at the Finance and General Purposes Committee on 6 March 2023.

**Safeguarding** – Governors expressed concern that there have been 111 incidents some of which have been quite violent. Paul Stannard said that some of the violent incidents had been off site and reflect the local crime risks outlined; the College is monitoring this and is working with learners to make clear that such behaviours are not acceptable. The Code of Conduct will and has been used to ensure students do not remain at the College. The Board asked if the College has identified the reasons for the escalation in incidents. It is believed that some are related to activities of two postcode gangs and one of the areas is adjacent to the College. The College is working to ensure that adult learners can continue to park within a safe distance from the College.

Paul Cox said that one of the learner's parents involved in one of the violent incidents had complained to the MP that the student had been excluded and after discussions with him the MP enquiries were closed. There is one learner at serious risk from honour-based abuse and this is being closely monitored. Governors discussed the contact of the College with agencies and agreed that the level of support was appropriate.

A governor asked about attendance reported in the report in KPI MS2 – 86.8%. It was noted that in report to Standards Committee 1 Feb, attendance had been identified as an issue in a number of subject areas and was RAG rated red, this is despite College attendance continuing to compare favourably with national rates. This is a national concern in all levels of education establishments. The Committee had discussed this in some detail and in recent weeks 16-18 attendance has improved but adult attendance

	<p>has slipped. The College is working to examine the causes for this . Some of this has been for ESOL learners. Attendance has gone up by 0.6% overall since January 2023. The Board recognised that any percentage of learners not attending is not acceptable as if they don't attend, they are not learning. They commended the practice of walking learners to English and Maths lessons to support positive trajectory. There is a task and finish group to monitor attendance by group and level and put in place mitigations.</p> <p><b>Action: PS to circulate details of the AoC attendance statistics</b></p> <p>Paul Stannard said that the Standards Committee had asked that the personal education meeting should added to the Governors' report, and this has been done.</p> <p>Jon Sendell asked if there are more recent management accounts than in the papers for this meeting. Richard Allanach said that the management accounts circulated with Governors' report is version c and there is a later version d gone to FGP. The only difference is the assumptions used to create the cashflow and I and E forecasts are now the same.</p>
<b>4</b>	<b>To receive</b>
i.	<i>This item was taken as a confidential minute – in Part A.</i>
ii.	Internal Auditors' Annual Report – <i>deferred</i>
iii.	Audit Committee Annual Report - <i>deferred</i>
	<b>5 To approve</b>
	External audit management letter - <i>deferred</i>
	<b>Going Concern – <i>deferred until items 5.i-5.iv are available.</i></b>
	Letter of Representation (Financial Statements & Regularity) - <i>deferred</i>
	Annual Report and Financial Statements 2021-22 - <i>deferred</i>
<b>5</b>	<b>To approve</b>
i.	<p><b>Summary of recommendations from Committees to be taken 'en bloc' all in appendix 6.</b></p> <p><b>Standards Committee</b></p> <ul style="list-style-type: none"> <li>i. College SAR annual report process including dates for governor validation</li> <li>ii. LAC/CL safeguarding update</li> <li>iii. Sub-contractor performance report</li> <li>iv. Marketing strategy</li> <li>v. Curriculum policy</li> <li>vi. Prevent risk assessment</li> </ul> <p><b>Search Committee</b></p> <ul style="list-style-type: none"> <li>vii. Website compliance process and update</li> </ul>

viii.	Dates of meetings for 2023/23
ix.	<b>Standards Committee minutes, 30 November 2022 – to follow</b>
x.	<b>Search and Governance Committee minutes , 8 February 2023 –</b> Governors were asked to note that the Search and Governance Committee has agreed that where practicable, and the Senior College Leader has reviewed and considers that it is appropriate, that policies which can be considered fit-for-purpose will not be brought for renewal in the expectation that the merger will take place in July 2023. If the merger falls away, these will be reviewed in Autumn 2023 and brought via the appropriate committees. This does not apply to Health and Safety, safeguarding and other statutory or mission critical policies.  <b><i>SMT colleagues (with the exception of Paul Cox) left the meeting at 17.55.</i></b>