

## CORPORATION BOARD



Minutes of a virtual meeting held on Monday 6 July 2020 at 5pm

### **Present**

Di Batchelor, Principal  
Fay Croft  
Howard Dodd  
Roger File (from 6.05pm)  
Nick Handy  
Ali Kennedy  
Gavin Maitland-Smith, Chair

Adam Mumford  
Nicolas Pagès  
Tony Petruso  
John Revis  
Stephen Vickers  
Sean Wellington

### **In attendance**

Jacqui Canton, Deputy Principal  
Jenny Craig, Vice Principal  
Mark Lay, Finance Director,  
Matt Phelps, Vice Principal  
Ruth Reavley, Clerk  
Fiona Gay, SMT PA, workshadowing

Governor questions are represented with bullet points, and management responses are italicised.

### **1. Opening comments, apologies for absence and new declarations of interest**

Matt Phelps, Vice Principal, Apprenticeships & Employer Engagement, was welcomed. Members noted that though this was a last Board meeting for the Principal, a “farewell” in person would be arranged in the Autumn. Members noted that Kian Gregory had resigned on 25 May 2020. Vicky Field’s internet connection had failed, and she was unable to join the meeting. The meeting was quorate. Jo Milsom, Vice Principal, was unable to attend. There were no new declarations of interest.

No request had been made to discuss the papers on the Portal. There was one piece of Other Business. Preliminary conversations had been held with a potential external governor with FE experience.

### **2. Minutes of the meeting held on Monday 23 March 2020**

The public and confidential minutes were approved for signature.

### **3. Matters arising from the Minutes not covered elsewhere on the agenda, and Action tracker**

The Action tracker was noted. Three written resolutions were noted:

- 18 May 2020 to suspend the Link Governor scheme during the Covid-19 pandemic
- 1 June 2020 to approve the Bicester Construction Skills Academy and to sign leases and the Local Enterprise Partnership (LEP) funding contract
- 22 June 2020 to approve submission of a capital bid of £1,820,000 to support the delivery of T Levels in the Digital, Health and Education routes.

### **4. Principal’s Report**

The report covered highlights of the term, and a progress update on the 2017-20 Strategic Plan.

The Balanced Score Card reflected the impact of Covid-19 on the College. Governors noted the additional effort being made to recruit 16-18 year olds for September 2020 starts.

The Health, Safety and Wellbeing dashboard reflected the impact of Covid-19 on the College and its students.

- Given that the vast majority of students have not been on site this term, what explains the increase in incidents? *The students the College is in touch with are those most likely to have incidents. The Head of Student Engagement has been in post a year, during which transparency of reporting has increased. Student Services staff have been very busy during the lock-down. This data is not a cause for concern in the senior team.*

The five strategic “pillars” were discussed. The Principal praised staff and students for 85% engagement during lockdown, especially given the Sutton Trust national finding of 35% engagement.

- Pre-Covid-19, the possibility of the College developing online and digital learning as a mainstream offer had not been proposed. Blended learning is now the new normal. Could digital learning become a profit centre, or would it continue to be an aspect of blended learning, and contribute to driving economies? *Moving to O365 and Microsoft Teams several years ago had been hugely beneficial. The responsiveness of adult learners had been surprising. The College had previously considered and concluded that it could not compete effectively with major online learning suppliers; online learning would not become a profit centre. Online does contribute to efficiency gains, and to blended learning.*
- That online delivery was attractive for adult, community, family and some vocational learning was clear. *The College has been pleasantly surprised at the success of online learning.*
- The Government had announced financial support to employers to take on apprentices, for traineeships, and an apprenticeship for all who wanted one. What impact does that have on the College? *The financial support is for employers, not Colleges. The College awaited further government announcements on apprenticeships and traineeships. The College is working with employers on the detail of the blended offer that will be in place for full-time students from September. Detail of the restrictions which will be in place was awaited. In the past the College experience of traineeships has been adverse; then, with full employment in the County, the 6-month duration of a traineeship was insufficient to upskill people to be job-ready. Now, with a rising local unemployment trend, the skills baseline from which trainees might start was higher; the College may find conditions favour engagement with traineeships.*

The Principal updated governors on the most recent capital bid. Responding to the new government priority to “build, build, build”, the LEP had invited submissions. In late June, the College had bid for funding for the 3<sup>rd</sup> phase of the Construction Skills project, to expand facilities at Abingdon for an increase in students (not particularly apprentices), and to respond to “green” construction skills. Further detail had subsequently been submitted, at the LEP’s request. The Deputy Principal reminded governors that originally the College had outlined a £5m spend for phase 3, on a 1,200m<sup>2</sup> development at Abingdon. As LEP funds were limited, a modular approach had been taken, with a bid for £2m submitted. The College is confident that there will be student demand for the full project in the long term.

- Where might the facility be built? *Either on land adjacent to the College, or on the quadrangle, adjacent to the current Engineering block.*
- With respect to other external relationships, there is some indication that the Government seeks to bring FE back into public ownership. Some HE commentators believe this will happen. What is the College position? *The CEO of the Association of Colleges is in frequent contact with Gavin Williamson, Secretary of State, and reports that there is solid evidence that this is not the case. The Secretary of State*

*has very few powers, and can only intervene in Colleges with catastrophic finances, through the insolvency regime. There may be changes, but they will fall short of public ownership. There is no appetite in government or in local authorities for public ownership of the FE sector.*

- The strategic pillar of working within our means incorporates expanding our means; what plans are there to do so? Does the LEP expect the College to make a contribution to the new capital bid? *It is a new Scheme, and the conditions may tighten up. At present the College is required to make a £0.5m non-cash contribution. It plans to do so through the value of land (which would remain in College ownership), use of existing IT, and staffing. Were a cash contribution to be required, the Board would have to give its approval.*
- Is there data on how many staff have had Covid-19, and of any long-term recovery problems? *One staff member had been quite unwell and several have made a good recovery from suspected Covid-19 infection*
- With respect to the strategic pillar of being an employer of choice, governors welcomed the Matrix assessment finding on the effective cultural approach before and during the lockdown period.

Governors noted that the tone of recent Department for Education guidance for FE colleges, received on 3 July, gave colleges more freedoms to do what is judged by the leadership to be appropriate for staff and students in their situation. This was a welcome development.

- Did the Health & Safety team have sufficient resource to develop proportionate Risk Assessments? *The Principal acknowledged the outstanding contribution of the Head of Health & Safety during the pandemic.*  
The Head of Health & Safety, a staff governor, commented favourably on the support from the Senior Management Team for his guidance and interventions.  
The incoming Principal noted that additional resource would be made available for Health & Safety, should it be necessary from September.

The Chair voiced the views of all governors in thanking the Principal, Senior Management Team, College staff and students for their effective response to the pandemic. The level of care to sustain College life in as normal as possible form had been the outcome of tremendous personal efforts by many individuals.

Closing her report, the Principal paid tribute to the contribution made by governors and colleagues.

Roger File joined the meeting.

## **5. Curriculum, Quality & Students**

Supplementing the three headline reports on quality, curriculum and students, the Vice Principal updated governors on a new course framework for blended learning which had been launched on 6 July, effective for 2020/21. The framework supported teachers to think differently, in turning existing and new courses into an integrated blend of online and on-campus delivery.

- Given the creditable engagement and participation rates reported, are there plans for the College to share its good practice? *The sector is collaborative. The College's use of Microsoft Teams has been an exemplar. College staff also learn from others.*

- How is the repurposing of laptops going? *Pre-lockdown laptops were made available in classrooms to support learning. They have been repurposed and made available to students needing them, and to staff needing access to particular College systems. Over the summer they will be rebuilt again, and additional units purchased, funded from the Bursary fund. Some students have only dial-up access to the internet, and the College is supporting them with additional kit. From September, two repurposed IT rooms (one each in Abingdon and Witney) will also be available for students. The Government's laptop purchase scheme was for schools only.*
- Given the shift to teacher-assessed outcomes during the pandemic, is there any sense of whether this will continue? *Though the professionalism of teachers had been questioned in recent years, that had been over-ridden by the need to provide students with results during the pandemic. Whether this change would have permanence was for the Awarding Bodies to determine. The College has met all the deadlines for centre-assessed grades.*
- Has there been any progress on endpoint assessments? *The Institute for Apprenticeships and Technical Education has been most reluctant to change arrangements for Endpoint Assessment, though some flexibility has been introduced recently. Many apprentices are ready to sit the assessments. Risk Assessments are in place for vocational endpoint assessments.*
- With the suspension of Ofsted inspections what is the impact of a change of Principal? *Ofsted's approach is risk-based. It is unusual for inspection to immediately follow a change in Principal.*
- The availability of laptops for students is good to hear. In HE, 68% of students report reliable highspeed broadband, and 50% adequate study space at home. Microsoft Teams has strengths and weaknesses. Are the staff being supported with development of online pedagogy and use of the platform? *Microsoft has launched improvements during the pandemic; it is now possible to see more participants, and to organise break-outs. As a teaching package, Microsoft Teams has many advantages over other options, including Zoom. Students will be signed into two teams- their Course Team, and a cross-College Team, where for instance Core, English & maths are sign posted. The Teaching Skills Academy and the Digital Learning Team have provided effective and responsive support throughout the pandemic. Sound pedagogy is at the heart of the new Framework for online learning. Staff have access to a wide range of tool kits and activities.*

In noting the headline reports, governors also noted the Quality Improvement plan, the draft Curriculum Intent statements, and the Student Voice report and appendices.

## **6. Finance & Resources**

Governors discussed the public finance headline report and papers, introduced by the Finance Director. The impact of Covid-19 had reduced the College year end forecast. Income is now forecast at £22,340m, non-pay spend has reduced by approximately £0.3m, with pay spend largely as budgeted. Through the Furlough scheme, the College expected income of £0.5m by the end of July, resulting in a net income reduction of £0.5m. The Financial Health Grade had reduced to requires improvement with a breach of one bank covenant. Governors noted that Barclays Bank had taken into account the College's good pre-Covid-19 performance and would not take any action over that breach. That Avenue One had not sold had adverse impact on the cash forecast.

- What was the interest shown in Avenue One? *Interest had been expressed in renting, not purchasing. The potential tenant required the mezzanine floor to be removed, at a cost to the College estimated at £40,000. However, a 5-year lease would make the building more attractive for purchase by property investors.*

The Chair of the Finance & General Purposes Committee reported on a meeting between governors with experience of budgeting in the private sector and the Finance Director, Principal and Deputy Principal, to consider the budgeting implications of the Covid-19 impact on College finances. Useful work had been undertaken on shaping the budget process. Two potentially significant issues remained: were the Bank not to honour the waiver on the breach of covenant, that would trigger repayment of all the College debt to the bank; and the ESFA “Requires Improvement” financial health grade, whilst progressively more common across the sector, was not a position the Board was complacent about. The Budget was now presented as a base case excluding income and expenditure related to Bicester, with separate information presented on Bicester, and a separate combined budget. Allocated/known income and variable income had been clearly stated.

The Finance Director advised governors that the 2020/21 budget was cautious. The range of variable income recognised the potential that some may not be delivered. Covenants would not be breached by the proposed budget. Cash flow would be manageable through the use of the existing overdraft facility in March and early April. Every effort would be made to regain a “good” financial health grade.

- The HE income budget was lower than 2019/20, reflecting expectations of lower HE Apprenticeship sign-ups, and lower Foundation Degree recruitment. *There is some concern that, with lower HE sign-up rates already evident, some courses may not run in 2020/21. The Apprenticeships team is working hard across the whole Apprenticeships spectrum. Some employment sectors are more vibrant than others – Horticulture is buoyant; Motor Vehicle is not, but may pick up with MOT testing is re-started.*
- The College needs to grow income in-year. *The primary focus is on achieving the base-case budget; thereafter aspirational income streams can be pursued. The potential impact of a second wave of Covid-19 was un-calculable.*
- The budget as presented was robust. In the medium term, however, the College is living hand-to-mouth, with marginal finances. This needed to be faced, as it was not a sound long-term position. Responding, the Board Chair reminded governors that a Strategy Day was scheduled for early in 2021.
- The Government’s financial support to employers for traineeships (£1k) and rumoured financial support for apprenticeships (£3k) was not thought sufficient to incentivise employers.
- Some companies, faced with financial collapse, were reducing senior costs through redundancy, but keeping on junior posts.

Governors thanked the College for its effective management of the finances during the Covid-19 pandemic.

A confidential matter was discussed.

Governors approved the budget, and noted the management accounts and full-year forecast, the ESFA Financial Forecast, and the May 2020 ESFA Financial Statements 2018/19 letter. They noted that action to address a corporation tax review had been submitted in a timely way to the ESFA.

## 7. Risk Management and Board Assurance

Reporting progress since the paper had been written, the Finance Director updated governors that an Internal Audit on risk management and the risk register had just been completed. Suggestions to approach risk appetite, and to improve the quality of the risk register through further separation of the controls and mitigations in some places, were recommended. These would be considered by the Senior Management Team and discussed at the next Audit Committee.

- The internal audit strategy for 2020/21 represented the last year in the contract. What was the College view of their performance? *After a poor start, when the audit lead had been made redundant, the service level had been satisfactory. The quality of work was largely acceptable. The 2018/19 Learner Number Systems report had been rejected by the College, and it had not been possible to complete that report for 2019/20 because it had not been possible for auditors to be on site during lock-down. MHA MacIntyre Hudson would carry out additional work during the financial statements audit to cover this risk. The price was good.*  
The Board could consider renewing for a shorter period than 3 year, or on an annual rolling programme.
- Considering Risk 4.1, and noting that FE funding is lagged, with the impact of lower 16-18 student recruitment in September 2019 being felt in 2020/21, what has been built into financial projections to factor in the risk? *It is a sector issue. Schools will want to retain their students. Students will be cautious. Calculated grades may lead to grade inflation and students returning to school who later register at College. 16-18 apprenticeships are hard to find, so there may be a rise in College registration related to their unavailability. The College has initiated online enrolment earlier than usual. The working assumption is that targets will be met. It is too soon to call. So is the risk properly scored? The wording could be amplified, by the scoring would not be fundamentally changed.*  
The governor concerned was satisfied with this response.

Responding to a query, the Clerk would check minutes as two governors believed the Board had previously delegated approval of the Internal Audit strategy to the Audit Committee.

The Risk Register, Internal Audit Strategy 2020/21, and Financial Statements audit strategy 2019/20 were approved.

Action	By Whom	Deadline
Check previous Board minutes on delegation of Internal Audit Strategy approval to Audit Committee. Amend Business plan as appropriate.	Clerk	As soon as possible

## 8. Health & Safety Nominated governor's review of additional arrangements in place during the Covid-19 pandemic

The H&S nominated governor was absent owing to internet failure. The Chair reported that she had held regular phone calls with the Head of Health & Safety and had reported back to him. She concluded that the College approach was appropriate and was fulfilling external requirements. The Clerk would circulate the Nominated Governor's notes.

Action	By Whom	Deadline
Circulate Nominated H&S governor's notes on Covid-19 arrangements	Clerk	As soon as possible

## 9. Governance Matters

The Clerk's report was discussed.

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Fay Croft was appointed Vice Chair for two years from 1 August 2020 to 31 July 2022. Nick Handy was re-appointed external governor for a further four year term of office from 7 July 2020 to 6 July 2024.

A number of Board and Committee matters were considered together.

Governors supported the proposed Nominations, Remuneration and Governance Committee. Draft Terms of Reference would be approved by written resolution. The Committee membership diagram, Committee business plan and Meeting Dates document would be re-issued to accommodate this, though their content was otherwise approved.

Governors considered the case for a staff governor to re-join the Audit Committee, in the light of amended guidance from the ESFA, and approved John Revis as an Audit Committee member. He would leave the Finance & General Purposes Committee.

A proposal to increase the number of external governors from 12 to 13 was approved. This would give scope for the Board to extend its skill base. External governor recruitment was ongoing.

The detailed proposals for amendment to governing documents had been reviewed by the Chair, Vice Chair, Principal and Chair of F&GP. Governors approved both the material changes and the minor corrections to the Instrument & Articles of Government, and to Standing Orders.

Committee minutes were noted.

To facilitate succession planning for the role of Clerk, the Chair proposed a Board working group to consider what the Board wanted from the post; the Clerk would participate in this group. It was one of only two Board-appointed roles. He proposed a two-stage process, firstly to consider the role, and secondly to consider recruitment. These proposals were approved. Members were invited to contact the Chair to express interest in the working group on redefining the role.

Arrangements to review confidential papers and minutes were noted.

The Board confirmed its established general approval that the Chair (or in their absence the Vice Chair) and the Principal should authenticate the application of the College Seal. This arrangement held good for the incoming Principal.

Members approved a tabled motion. The agreements had been reviewed and approved by the College's solicitors.

*“The Board resolves that four “licence to alter” agreements, which relate to necessary alterations of leasehold buildings to provide Bicester Construction Academy facilities, are approved to signing and sealing.”*

Action	By Whom	Deadline
Issue updated governing documents to all governors	Clerk	As soon as possible
Circulate draft Terms of Reference for the Nominations Remuneration & Governance Committee for approval by written resolution	Clerk in consultation with Chair	As soon as possible

Circulate revised Committee membership, Dates, and Business Plan documents	Clerk in consultation with Chair and incoming Principal	As soon as possible
Pursue recruitment of external governors with skills as identified by the Nominations Committee and the Board	Clerk	ongoing
Report on Review of Confidential papers and minutes to the Board	Clerk	October 2020

## 10. Policies

Noting that the revised or replacement policies had been considered in detail by committees and recommended for approval, the Safeguarding, Staff Grievance, Student Financial Support 2020/21, and Treasury Management Policies were approved.

Noting that the refreshed policies had been recommended by committees, the Crisis Management, Financial Regulations, Health & Safety and Subcontractor Fees & Charging 2020/21 policies, and the Freedom of Speech & Expression Code of Practice, were approved by the Board.

Action	By Whom	Deadline
Release nine approved policies for College use	Clerk	As soon as possible

The Board considered a confidential matter.

## 12. Future Business and reflection

There was general agreement that virtual technology had enabled the Board to fulfil its responsibilities and had advantages in reducing travel time and emissions. The practice of muting except when speaking created an artificially silent atmosphere. However, all members were keen to meet in person when that became possible. It was anticipated that 2020/21 would be a “mixed mode” year, with both in-person and virtual meetings.

Some governors had participated in committee of which they were not a member taking advantage of the convenience of virtual technology. Their freedom to do so in person had existed before lockdown, but virtual meeting had stimulated take-up. The additional insight gained from such participation was valuable.

Members noted plans for Board self-assessment to be implemented over the summer.

The next scheduled meeting of the Board was on Thursday 15 October 2020.

Closing the public meeting, the Chair thanked Senior Managers for their outstanding hard work through the year, especially during the pandemic. He asked staff governors to convey that thanks to their colleagues on the staff. The Principal was thanked for her leadership over five years, and for all she had contributed in a long and successful career. An opportunity for a farewell would be agreed.

All staff, and student governors, left the meeting. External governors considered a further piece of business.

The meeting ended at 7.45pm.

Approved for signature (date) .....15 October 2020.....

Signature .....

Date .....