

## CORPORATION BOARD



Minutes of a meeting held on Monday 9 December 2019 at Abingdon Campus at 4.40pm

### Present

Di Batchelor, Principal  
Fay Croft  
Howard Dodd  
Vicky Field  
Nick Handy  
Ali Kennedy

Gavin Maitland-Smith  
Adam Mumford  
Nicolas Pages (from 5.15pm)  
Tony Petruso  
John Revis  
Stephen Vickers

### In attendance

Jacqui Canton, Deputy Principal  
Mark Lay, Finance Director  
(from 5pm)  
Jenny Craig, Vice Principal,  
Curriculum & Quality (C&Q)  
Ruth Reavley, Clerk

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

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

The Board put on record its thanks to Darren O'Connor, who had served as a co-opted member of the Audit Committee from June 2013. He had been a tremendous asset, through both his expertise and his interest in the College. The Board wished him well.

Board members put on record their thanks to Maureen Boyle, soon to retire as Vice Principal, Student Engagement. Her contribution to the College over 20 years was considerable, notably with respect to students with Special Educational Needs and Disabilities.

Governors had appointed student governor Kian Gregory at the strategy meeting immediately preceding the Board meeting, where he had been welcomed and met members. His apologies were noted for the Board meeting owing to involvement in College productions which clashed with the meeting. Apologies had been accepted from Roger File, Sean Wellington and Ed Pereira.

Jacqui Canton declared an interest in item 11. Gavin Maitland-Smith declared a new financial interest at sector level, the detail of which would be added to the Register.

### 2. Minutes of the meeting held on 17 October 2019

The public, confidential and closed business minutes were approved and signed.

### 3. Written resolutions, matters arising and action points

Use of a written resolution by email to approve a salary of up to £145,000 for the next Principal of the College, was recorded. No matters arising not already on the agenda were raised. The progress of Actions was noted. Arising from the earlier strategy meeting, and from item 18 of the October Board meeting, governors agreed that matters of possible additional Board meeting dates, and of the focus of Board engagement with meeting papers, would be progressed by the regular meeting of Chair, Principal, Vice-Chair, Chair of Finance & General Purposes (F&GP), and Clerk.

- What was the answer with respect to Board membership for current part-time Ofsted Inspectors. *The Clerk responded: The DfE conflicts of interest Policy and Procedure for contracted Ofsted Inspectors covers that matter. Such Inspectors, appointed to Governing Bodies, must declare the interest and may not be involved in any Ofsted Inspection of that institution.*

The Board supported the case that their membership would be strengthened by the appointment of an FE sector specialist, possibly a current part-time Ofsted Inspector. The

Principal and Vice Principal, C&Q, could advise the Nominations Committee of any possible leads.

Action	By Whom	Deadline
Progress re-shaping Board Agenda discussion, and review Board meeting dates for 2019/20	Chair, Principal, Vice Chair, Chair of F&GP, Clerk	Next routine meeting
Advise the Nominations Committee of possible FE sector specialists with potential to be approached to join the Board, if any	Principal, Vice Principal, C&Q	Ongoing

#### 4. Principal's Report

In the spirit of the strategic discussion that had immediately preceded the Board meeting, the Principal focussed members' attention on points of concern:

- i) The revised Balanced Score Card, having been put to use for two months by the Senior Management Team (SMT), largely duplicates the Management Accounts, and is light on other areas, which would continue to be reported on in other ways.
  - ii) The Adult Education Budget will again be challenging to achieve. There are stringent limitations around what may be funded from this income stream.
  - iii) Apprenticeship numbers are behind where the College projected for this point in the year.
  - iv) Increased regulation of, and scrutiny of, sub-contracting meant the SMT were less likely to recommend that route to expand provision.
  - v) The break-even budget for 2019/20 created a more difficult operating environment for the college.
- In what way was sub-contracting now riskier? *The nature of Education & Skills Funding Agency (ESFA) sanction for sub-contracting activity which they judge to be inappropriate is not known – the whole funding stream could be at risk.*
  - Where might the Apprenticeships income stream end up in 2019/20? *At £2 million, not £2.2 million. The business development team had been targeted with a specific number of starts before Christmas. Starts in September, particularly on higher funded degree apprenticeships had been lower than projected.*
  - What explanations are there for this? *Uncertainty about Brexit amongst employers is a contribution. Use of the Levy has slowed. As previously reported, the College received a smaller 19+ allocation than we required, which limits recruitment.*
  - When is the national picture of Apprenticeship starts in 2019/20 known? *That data is published in April 2021. The College's market share in the locality is quite modest, as a number of providers with national profile are work locally.*
  - In what ways can governors help? *Local Oxfordshire business contacts would be welcome. One governor had transferred unspent Apprenticeship Levy to non-levy payers via the college. One governor had been a valuable contact in opening up links with Middlesex University. In an update to the Principal's paper, final stages towards the validation of a degree in Digital Technology Solutions would be completed on Tuesday 12 December 2019; employers and apprentices are waiting for the course to be opened.*

The Deputy Principal was encouraged to contact governors with direct requests for support with apprenticeship matters.

The Principal led a discussion on Office for Students (OfS) matters. The particular issue of payment to the OfS related to Quality Assurance Agency (QAA) services was explored. Governors noted the facts as set out by the Principal:

- An invoice for £4,049 dated 10 June 2019 payable by 10 July 2019, had been received on 1 August 2019 in the general enquiries email inbox and had been forwarded to the Finance Office.
- The Finance Office immediately, on 1 August, contacted the QAA to provide the correct address for future invoicing.
- The covering OfS email referred to correspondence from 14 days previous, of which the College had been unable to find any trace.
- The invoice was paid on 15 August 2019.

Governors were satisfied that normal finance team practices would ensure that invoices, received at the correct address and processed in the normal way, would be paid in such a way as to meet the OfS ongoing conditions of registration.

The HE Link Governor commented that across both HE and FE there was a shared view that currently compliance work for the OfS was disproportionate. This was particularly so for colleges like Abingdon and Witney, where HE student numbers were not large. Governors noted that the College was by no means the only FE College to have been unable to trace the original invoice.

Governors noted that the Chair and Principal had received a letter, sent on 21 October 2019 by the OfS to 282 of their 284 registered providers all of which had missed one or more of the four new payments, related to “ongoing conditions of registration”. Though the College had missed one payment, the OfS would take no action on this occasion, but that future failure could incur substantial monetary penalty for late payment.

This paragraph and the preceding five paragraphs of the minutes would be submitted to the OfS in response to their requirement that a record of the discussion of the Board’s responsibility to ensure compliance with all the OfS conditions of registration was to be submitted. The Board had noted the reasons that the deadline had been missed, and the steps taken to ensure that future deadline would be met.

Governors discussed the current potential staffing liability.

- How does the Occupational Health provision work? *It is a service focussed on supporting staff to return to work. The College supports people with physical and mental ill-health to return to work where appropriate.*

The Principal was invited to elaborate on the impact of political manifesto promises on the future of the College. All three main political parties had been positive about FE, with some funding promises made, though the sources for additional College income were not clear. The Institute of Fiscal Studies, presenting at the AoC Conference, had advised the promises made by all political parties were unrealistic. Brexit was the major election topic. The College had quantified its exposure in relation to EU students; the College collects data on where students have recently lived (and worked), and exposure is estimated at £450,000. Though EU student numbers may reduce, other overseas student numbers may increase. The College is not in the public sector, so Labour promises on pay do not apply, though they do to schools. It is expected that any incoming administration will make policy changes.

The Principal’s report, Balanced Score Card and Health, Safety and Wellbeing dashboard were noted.

Action	By Whom	Deadline
Provide extract of minutes to Principal for submission to OfS	Clerk	As soon as possible

Members considered a Confidential paper.

## 6. Self Assessment Report 2018-19

The Vice Principal, C&Q, introduced the Self-Assessment Report for 2018-19 (SAR) report and appendices. Performance had been mapped to the Ofsted Education Inspection Framework (EIF). The report would be used by Ofsted were inspection to take place in the next twelve months. HE and full-cost provision was not covered. Collation of data had been a ground-up exercise, from individual course, through curriculum area to whole-College.

The Vice Chair, who had chaired the Board's five-strong Working Group on the SAR, described their approach. Every page had been considered. The presentation, with graphics, was welcomed. The group had raised many questions on the Ofsted foci of intent, implementation and impact. They had tested the analyses, the judgements, and the evidence, and recommended the report to the Board.

Governors discussed whether the key judgement of grade 2 for Leadership and Management was correct. Governors noted:

- \* though Teaching and Learning continues to improve, there is not the consistency yet which would substantiate a grade 1.
- \* in complex areas of provision (Gateway, Fast Forward), there was more to do to clarify the new EIF criterion of intent.
- \* that the Strategic Plan does not accommodate the new EIF criterion of intent clearly. Highest quality is clear. However, governors noted that Ofsted would test curriculum intent, not College (strategic) intent. The current strategic plan does not prevent prioritising curriculum intent.
  
- What does the Board need to take into account with respect to intent? *It is related to context – the geographical location, and local economy, and what the College is setting out to achieve. The Strategic Plan is not written for Ofsted but needs to facilitate regulatory inspection regimes. As written, it is not a limiting factor. Leadership and Management covers a wider range of measures than just governance.*
- What lies behind two groups of students not achieving as they might? *It was related to teachers' levels of expectation and aspiration for their students in Business, and about supporting L2 students to develop deeper skills to progress to L3 for 16-18 computing students. The staff teams have been refreshed.*

The Working Group Chair noted that refreshed AoC/ETF resources available for governors including a module on curriculum and quality matters.

The Report was approved.

Action	By Whom	Deadline
Identify and circulate learning opportunities for governors on FE curriculum and quality	Clerk, Principal	For Spring Term 2020

## 7. Financial Statements

The Finance Director introduced the draft Financial Statements and associated documents. They had been considered in detail by F&GP (examining the content of the Financial Statements and the key accounting judgements adopted together with consideration of any concerns or material unadjusted errors raised by the auditors) and the Audit Committee (examining any issues arising from the audit process and review the draft with regard to governance and internal controls).

Governors noted that the forthcoming triennial actuarial valuation of the Local Government Pension Scheme in April 2020 could lead to an increase in contribution rate, which could impact the financial health of the College.

The F&GP Chair drew attention to the Profit and Loss Account on page 27 and reminded governors of the basis of pension balance sheet accounting. The governor who had chaired the Audit Committee mentioned that the Auditors had made a few disclosures, itemised in the Audit Findings Report.

The contributions of the External and Internal Auditors were considered. A change of Audit Manager within MHA MacIntyre Hudson had brought fresh focus on business matters, for example Corporation Tax. The working relationship was effective. Contracted Internal Audit work had been useful, though a one-off Learner Numbers Audit had been found to be inadequate by the College and had been withdrawn and not charged for.

- What key risks were being audited by the Internal Auditors in 2019/20? *Learner numbers, cyber security, aspects of financial controls and governance assurance.*
- In underlying figures to the Profit & Loss account, are the drivers of profitability clear? *The quality of the data is improving. The College currently re-forecasts 6-months into the year. There is an ambition to make that data more “live”. F&GP does see unofficial budget updates, so any early indicators of concern would be reported to the Board.*

The Financial Statements, Letter of Representations, Regularity and Propriety Questionnaire, and Audit Committee Annual Report were approved for signature and submission to the ESFA.

Action	By Whom	Deadline
Obtain MHA MacIntyre Hudson signatures to the Board-approved signed Financial Statements	Finance Director	Immediate, for submission to ESFA by 31 December 2019
Submit all required documents to ESFA	Finance Director	By 31 December 2019

## 8. New ESFA financial planning model

The paper was noted. The Board would consider the new Financial Plan at its February Special Board meeting, for submission to the ESFA by 28 February 2020.

Action	By Whom	Deadline
Add ESFA financial plan to February Special Board Agenda	Clerk	For February meeting

## 9. Risk Management

Two new high level risks were noted: Change in Principal destabilises the College leading to loss of staff and impact on finance and quality, and triggers Ofsted inspection, and Impact of Brexit leads to loss of students or staff or other unknown issues. Staff governors reported that the Chair’s letter to staff about the recruitment process for a new Principal had been well received.

The high level risk register was approved.

## 10. Management Accounts

The Finance Director reported that the College management accounts were in line with the budget. The F&GP Chair commented that the committee had discussed the September and October KPIs, particularly the internally-assessed Financial Health grades of “requires

improvement". The committee was confident that the year end forecast of "good" was on track. However, with a break-even budget, the risk is being closely monitored. The key to achieving a "good" financial health grade is the College's "Current Ratio" score which is heavily linked to year end cash holdings.

- What contingency, or mitigations, were available? *If student numbers are not achieved, there will be a deficit. Cash holdings at year end will largely drive the bank covenants and financial health grades.*
- How would the Board be alerted were there to be a cause for concern? *The Board meets in February and March, with F&GP in March also.*  
The Principal assured governors that if she believed that the College would break any bank covenant or not achieve a financial health grade of "Good" at the end of the financial year, she would advise them immediately.

The Management Accounts were noted.

The Deputy Principal left the meeting for the next item.

### **11. Feedback on Principal's recruitment process to date**

The Chair outlined progress to date. The Planning Group had signed off the Job Description and Person Specification. The Remuneration Committee had recommended the salary to the Board. The role had been benchmarked against regional sector salaries, the template Association of Colleges job description and the current Principal's job description. The Planning Group had considered whether external support was needed, and decided against, whilst leaving open that option should the field of candidates be disappointing. They recommended the involvement of the Principal in an FE sector advisory role. The Board approved these proposals.

The Advert is in the public domain, with a closing date of 16 January, and interviews on 11 and 12 February 2020. Two staff focus groups were to be held on 19 December 2019. The timetable for the two interview days was currently under consideration, with activities matched to the Job Description and Person Specification. At the end of day 1, the Selection Panel would determine which candidates were invited back for Day 2, based on their performance in the range of Day 1 activities. This was normal practice in the sector. Day 2 would involve the Selection Panel interviewing candidates.

The Board noted that the Selection Panel would be the members of the Planning Group: the Chair, Vice Chair, Chair of F&GP, Sean Wellington and Howard Dodd. All governors were invited to attend Day 1 presentations with questions and answer time, which would be scheduled in sequence through the day, and to join stakeholders and candidates for tea.

The Board would meet on Wednesday 12 February 2020 (late afternoon) to consider the Selection Panels' recommendation.

- Would governors see the plan for the interview days? *It would be circulated when finalised.*

The Deputy Principal re-joined the meeting.

### **12. Reflection**

No further points were raised.

### **13. Policies**

Governors had approved the revised Whistleblowing policy by written resolution. A modification proposed during the voting on the written resolution on the Governance assessment and quality improvement policy, that governors may raise points for discussion with the Vice Chair, as well as with the Chair, was approved. Governor 1:1 appraisals were no longer to be held.

Action	By Whom	Deadline
Add revised Whistleblowing Policy to College O365 tile, and to website	Clerk	Immediate
Add revised governance policy to governor portal	Clerk	immediate

#### 14. Committee minutes

The minutes would be circulated as soon as possible by the Clerk.

Action	By Whom	Deadline
Circulate Audit and F&GP minutes	Clerk	As soon as possible

#### 15. Future Business Items

Noting an additional Special Board meeting on Wednesday 12 February 2020 at 6pm, governors agreed it should consider two business items: a decision on the Selection Panel's recommendation related to appointing a new Principal, and approval of the new ESFA Financial Plan.

The proposed business for the scheduled March meeting was noted. Governors supported a suggestion raised by the Chair; that the Chair, Principal, Vice Principal, Chair of F&GP and Clerk consider whether oversight of curriculum and quality matters would be improved by re-instituting the C&Q Committee. A proposal would be brought to the Board in due course.

Action	By Whom	Deadline
Add re-consideration of a C&Q Committee to the next meeting of Chair, Principal, Vice Chair, Chair of F&GP and Clerk	Chair	Next meeting
Bring proposal on C&Q oversight to the Board	Chair	In due course

The Chair thanks governors and SMT for their work during the year, and wished everyone a Happy Christmas.

The meeting ended at 6.10pm

Signature .....

Date .....