FE Corporation Minutes
Meeting held on Thursday 2nd July 2020 at 5.30pm via Zoom

Governors: Sam Beel, Stuart Blackett, Subhash Chaudhary, Phil Cook (Chief Executive and Group Principal), Louise Davies, Martin Gray, Russ McCallion, Richard Poundford, James Ruddock (Staff Governor and Group Student Recruitment Manager), Dot Smith, Mark White (Chair), Anne Vickers, Norma Wilburn (Safeguarding Link Governor) and Gary Wright.

Officials: Phil Blewitt (MD NETA), Liz Boynton (Group Director of Quality), Jason Faulkner (College Principal, RCC), Lesley Graham (College Principal, SRC), Phil Hastie (Group Executive Director Planning and Infrastructure), Erika Marshall (Group Director of Marketing), Mandy Morris (Group Vice Principal Curriculum and Development), Gary Potts (Group Director of Business Engagement), Ben Robinson (College Principal, Bede), Fiona Sharp (Group Executive Director Finance), Kay Taylor (Group Director of HR), Sarah Thompson (Clerk to the Corporation) and Sam Young (Governance Support Officer).

Apologies: Ethan Harper, Rob Mitchell, Kirk Siderman-Wolter and Aman Toor

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20/42   Agenda Item 1 – COVID-19 Update

The Chief Executive gave a verbal update covering the key themes of finance, reputation and quality. Financial forecasts had been reviewed via Performance Review (PR) for 2019-20 and Business Planning (BP) for 2020-21 and provided a robust tool against which to identify variations to budget. The Group maintained their strong reputation and were involved in the early stages of some potential projects; governors would be kept fully informed of developments. In addition, the College Principals of Stockton Riverside College (SRC) and Redcar and Cleveland College (RCC) were Leads for Skills on the Thornaby and Redcar Town Deal Boards, respectively, and the Corporation Chair was Chair of the Thornaby Town Deal Board. In terms of quality, the Chief Executive highlighted the work of curriculum staff in navigating the challenge of awarding bodies' requirements.

In relation to the impact of COVID-19 on staff, results from the short staff survey had been positive and the number of staff reporting symptoms remained low. The Group Vice Principal Curriculum and Development and her team would continue to support returning learners eligible for Free School Meals (FSM) over the summer. The IT Strategy outlined support that would be provided for the many young people without access to

IT, including some of the Group's most vulnerable learners. Department for Education (DfE) guidance for September had been released that day and would form the framework for risk assessments for operations at Group sites for the new academic year.

In response to a governor's question, the Chief Executive explained that support for learners for IT would be differentiated according to individual circumstances, prioritising those in receipt of FSMs, and based on the requirements of learners' study programmes. A governor asked if there were any further details on the £200 million capital funding for colleges recently announced by the Prime Minister. The Group Executive Director Planning and Infrastructure explained that, although no details had been released, it was expected the funding would be for capital and IT infrastructure projects and distributed to colleges without the need for a bidding process.

Governors **noted** the update.

Agenda Item 2 – Quality Update

20/43 **2.1 – Quality Update**
The Group Director of Quality outlined the key themes in her previously circulated report. Guidance from awarding bodies had been complex and fast-changing and had now been fully implemented including arrangements for learners requiring completion of practical assessments. Moderation of examination-based qualifications by the Office of Qualifications and Examinations Regulation (Ofqual) would be based on the entry profile of learners and past college data and this could have an impact on Bede A level results. The new Technology Innovation Group (TIG) had been a useful forum for the development of the new Teaching & Training and IT strategies and the August 2020 curriculum staff development programme.

In response to a governor's question, the Group Director of Quality confirmed that an announcement on the resumption of Ofsted inspections was expected the following week and it was anticipated that there would be some inspections from September 2020 focussing on the provision of remote education. A governor asked if a full suite of resits would be offered in the autumn and, if so, whether there was there any indication of the cost implications and the impact on curriculum delivery in 2020-21. The College Principal (Bede) explained the logistical complexities of A level resits and the potential impact of GCSE resits on progression for new students; at this point Bede staff would focus on assessing learners at the start of the year.

Governors **noted** the update.

20/44 **2.2 – Learner Voice and Complaints Update**
The Group Director of Quality asked governors to note her previously circulated report and highlighted that a short online learner survey would take place at the start of the next academic year to gather a timely sense of learners' experiences of remote learning.

Governors **noted** the update.

20/45   **2.3 – Teaching and Training Strategy**

The Group Director of Quality outlined that the Teaching and Training Strategy was linked to the realisation of two of the Group's Strategic Goals - delivering an outstanding student experience and a demand-led curriculum to meet the needs of the local community. Links with the IT strategy aimed to address deficits in learning due to disadvantage and lack of access to technology.

The Chair of the Standards Improvement Committee commented on the coherent approach taken in the suite of strategies presented at this meeting for approval and their reflection of the Group's tone of voice.

Governors **approved** the Teaching and Training Strategy.

20/46   **Agenda Item 3 – Safeguarding and Prevent Update**

The Chair reminded the Board of their statutory responsibility for Safeguarding. The Group Vice Principal Curriculum and Development outlined the work of the Welfare Team to support learners during lockdown and the inclusion of Etc.'s work with vulnerable learners as a case study in recent DfE guidance. Welfare support for all returning learners, not just those on caseload, had been planned for the start of the next academic year. Training modules had been developed to cover student mental health and suicide risk. The modules had been made available to staff returning to teaching and Pro-Monitor had been modified to facilitate immediate referrals to the safeguarding teams.

In response to a governor's question, the Group Vice Principal Curriculum and Development confirmed that currently one of the most significant local risks was nitrous oxide, including the use of county lines activity for its supply. The Group Director of HR confirmed that the Single Central Record (SCR) had been successfully migrated to 'SCR Tracker' and that the recent internal audit on Safeguarding had been positive. The Safeguarding Link Governor thanked the Student Services staff for all their excellent work.

A governor noted that, whilst systems were important, an organisation's attitude to and the profile given to safeguarding were equally important; he drew attention to work currently being undertaken by Stockton Borough Council on supporting learners returning to schools across the local authority and encouraged Etc. staff to access the resources.

A governor commented that the update gave a high level of assurance and asked what effect the funding shortfall against the bursary allocation requested by the Group might have on students. The Group Executive Director Planning and Infrastructure explained that the Education and Skills Funding Agency (ESFA) had made the decision based on their assumption that the IT equipment requested could be procured for less than listed

in the bid; the Group planned to make up the shortfall from other sources.

A governor asked for clarification of the statement in the report referencing the Group fulfilling its statutory duty for Prevent by restricting Wi-Fi and what new equipment was needed to do this. The Group Executive Director Planning and Infrastructure explained that it was best practice to have active monitoring of sites accessed and that this was currently in place for devices on the network, but not for guest log ins to Wi-Fi; guest Wi-Fi would be replaced by a 'bring your own device' network to enable tracking. A governor noted that, although most of those who had made declarations of unspent criminal convictions during the applications process had been accepted, seven had been declined a place and he asked if, as part of the Group's support to the community, remote teaching would allow such students to access courses in the future. The Group Vice Principal Curriculum and Development clarified that students declined places would receive support from the agency who had referred them and added that, even with completely online provision, the assessment of a learners' suitability for a course would remain the same.

Governors **noted** the update.

20/47   Agenda Item 4 – Finance Update

The Group Executive Director Finance explained that, as part of the Restructuring Facility (RF) grant agreement, the Group was required to provide a suite of Key Performance Indicators (KPIs) to the ESFA. For the most recent submission, senior managers had taken account of the impact of COVID-19 in their judgement of progress towards the year-end 2020-21 KPI targets. The ESFA had made a small number of clarification points and, in response, the Group Executive Director Finance had supplied further information including details of the process by which the Group had decided on capital spend reduction for 2019-20, the COVID-19 Risk Register and Risk Assessments and forecasts for student recruitment for 2020-21. She added that there was a regular dialogue with the Provider Market Oversight (PMO) Team on expected outcomes for 2020-21 and the possible impact of COVID-19.

The Chair of the Finance and Employment Committee agreed that the current position was encouraging but that it could change due to factors over which the Group had little control. In response to a governor's concern about the level of 2018-19 annual staff turnover, the Group Director of HR clarified that the percentage was slightly higher than the sector norm but included both voluntary and compulsory redundancies as well as turnover of hourly paid staff employed on flexible contracts.

Governors **noted** the update.

20/48   Agenda Item 5 – Staffing Update

The Group Director of HR highlighted key areas from her update. During COVID-19, understanding trends in attendance had been a key priority; attendance overall showed

an improving position on her last report to the Corporation and this year on year improvement evidenced better attendance management, including management of long term sickness, by departments, with HR support. A recent video showing staff on their return to work at Group sites had been well received and all staff had been given an additional day's leave, a Wellbeing Day, to recognise the transition back to site-based work. The response rate for the short voluntary staff survey held in May had been 62% and had provided timely information about the impact of working from home; results had been positive and headlines had been noted in her report.

Staff governors agreed that staff had adapted well to both the shift to working from home and the recent return to sites; staff had taken pride in the support they had given vulnerable students. Training and support from both Learning Resource Centre (LRC) and IT staff had been excellent and, though a return to normality was welcomed, staff had found different ways of working that would be used in the future.

A governor noted that the 38% of staff who did not respond to the short staff survey may well have given less positive responses than those who did respond and also asked how improvements would be facilitated in those areas with lower satisfaction levels. The Group Director of HR explained that, given that the anonymous survey only had a five-day window, the response rate had been high and had helped the Group to assess staff attitudes at that time. Responses would be reviewed at department level through the BP/PR process.

Governors **noted** the update.

Russ McCallion left the meeting.

20/49   **Agenda Item 6 – Recruitment Update**

The Group Director of Marketing highlighted that recruitment in year was broadly in line with target for 2019-20, which would have been achieved with the Prince's Trust recruitment anticipated to the end of year; 16-18 recruitment at all sites had seen growth on the previous year. Recruitment for 2020-21 remained fluid, with applications still being received, and marketing activity continued, through advertising, media coverage and open events. The College Principals and NETA MD all agreed that work by the marketing and recruitment teams had had a positive impact on recruitment for 2020-21. The College Principal (SRC) added that a letter sent to just over 300 potential learners who had not progressed their applications had so far resulted in 40 applications. The NETA MD confirmed that new applications to NETA were strong and would be boosted by 89% of Year 1 learners progressing on to Year 2.

A governor noted that, in addition to marketing activity, it was important to recognise that overall improvements, particularly at RCC and Bede, had also contributed to higher recruitment. In response to a governor's question, the Group Director of Business Engagement confirmed that as yet there had been no specific guidance in response to

the Prime Minister's announcement regarding apprenticeships; those unable to find apprenticeships would be encouraged to consider other routes such as full-time study.

Governors **noted** the update.

20/50   Agenda Item 7 – Marketing Strategy

The Group Director of Marketing outlined that, following input from governors at the Strategic Conference and, in particular, a comment that the Group should 'turn up the volume', she had spent time working with College Principals and a number of governors to develop the Marketing Strategy circulated with the meeting papers. The strategy outlined seven critical marketing aims framed by three of the Group's Strategic Goals and would be implemented from September 2020.

Governors **approved** the Marketing Strategy 2020-21.

20/51   Agenda Item 8 – Website Launch

The Group Director of Marketing outlined the factors that had delayed the development and launch of the new websites and the work undertaken by the Marketing Team, in collaboration with IT, to progress the project. All websites were currently in final draft stages and a launch date was anticipated to coincide with new prospectuses. The suite of websites aimed to echo the Etc. identity but with a local feel for each campus.

A governor asked if students had been or could be involved in website development and the Group Director of Marketing agreed to investigate this for the future. A governor added that it was positive to see the interaction between the Group and college identities and asked if recognition of the Etc. brand was growing. The Group Director of Marketing reported that use of Etc. as a national and business identity was growing; however, as intended, students and parents still related to individual college identities.

Governors **noted** the update.

20/52   Agenda Item 9 – Corporation minutes and Actions

9.1 To agree the minutes of meetings held on 7 and 28 May 2020
Minutes of the meeting held on 7 May 2020 and the Special meeting held on 28 May 2020 were formally **approved** as accurate records of the meetings.

9.2 To consider any matters arising and outstanding actions
Governors **agreed** that the action on sharing design concepts had been superseded and noted that the Group Student Recruitment Manager and Deputy Group Head of Student Services would meet the following week to discuss the impact on learners of contact tracing and raising awareness of any potential risks. Governors **noted** that all actions had been completed.

20/53 **Agenda Item 10 – Subsidiary Company Boards / Committees**

The following committee meetings had taken place since the last Corporation meeting and key themes were outlined and **noted** by governors. Draft minutes for all meetings would be made available on BoardPacks following approval by the Board / Committee Chair. Governors considered recommendations from committees and subsidiary company boards.

20/54 **10.1 Subsidiary Companies**

10.1.1 Tees Valley Catering (TVC) Board

The Group Executive Director Finance reported on TVC's current positive position and noted that staff had responded well to the current times, including donating food to local charities when operations ceased in March.

10.1.2 NETA Board

The MD NETA thanked the Corporation Chair for his attendance at the meeting.

The Corporation Chair confirmed that he had enjoyed attending both subsidiary company Board meetings and added that he had been impressed by the performance of TVC, under the management of the Group Head of Estates, and the strength of NETA and its Board.

20/55 **10.2 Committees**

10.2.1 Standards Improvement Committee

The Chair of the Standards Improvement Committee noted the strategies discussed at the last meeting which were presented to the Corporation for approval and looked forward to their implementation the following year. The Corporation Chair added that Vanessa Housley, Interim Chief Adviser Stockton Education Improvement Service, had recently joined the committee as a co-opted member and had made valuable contributions.

10.2.2 Search and Governance Committee

The Chair of the Search and Governance Committee encouraged governors' attendance at the Governors' Workshop on 24th September, facilitated by Sir Frank McLoughlin, which would discuss Board succession planning.

10.2.3 Audit Committee

The Chair of the Audit Committee outlined that members had been briefed for the end of year accounts and considered four internal audit reports. He highlighted the usefulness of the Emerging Issues document provided by RSM.

10.2.4 Finance and Employment Committee

The Vice Chair of the Finance and Employment Committee confirmed the policies and subcontracting levels considered at the meeting and recommended for approval by Corporation.

20/56 **10.3 Recommendations**

The Clerk highlighted that, as the guidance had not been available for the Finance and Employment Committee, governors were required to approve the Tuition Fee Policy, circulated as Appendix 1.

Governors **agreed**:

1.   to approve the revised subcontracting levels for 2019-20 (PR9, year-end subcontracting income predicted to be £2,662k with payments of £1,718k);
2.   to approve the Tuition Fee Policy (Item 10.3, Appendix 1);
3.   to approve the Subcontracting, Supply-chain Fees and Charges Policy for 2020-21;
4.   to note the Working from Home guidelines;
5.   to agree the strategic direction in respect of the IT Strategy;
6.   to reappoint Subhash Chaudhary for a term of four years;
7.   that Committee chairs should consult committee members on timing of meetings (daytime or evening);
8.   that governance self-assessment for 2019-20 should focus on experiences of remote governance / meetings;
9.   to note the presentation of the External Audit Strategy and the requirement to notify the auditors of any actual, alleged or suspected fraud;
10.   that AuditOne should continue as internal audit service providers for 2020-21;
11.   to formally ratify the appointment of Mark Wilson as NETA Board member;
12.   that NETA Board members should undertake DBS checks and Safeguarding training.

20/57   Agenda Item 11 – Financial Forecasts and 2020-21 Budget

The Group Executive Director Finance outlined the process by which the financial forecasts and 2020-21 budget had been developed; this year, although all BP meetings had taken place remotely the process had remained the same. The Corporation draft budget had been considered at the Finance and Employment Committee meeting held on 18 June. There had been no changes to that presented at this meeting. The forecast for 2021-22 had been formulated at a high level for inclusion in forecasts to submit to the ESFA. She confirmed that bank covenants had been assessed as compliant over the two years.

The ESFA Financial Health Grade was currently Requires Improvement in line with expectations from the financial plan agreed as part of the merger with RCC. The budget submitted to the ESFA would suggest that the Group would remain Requires Improvement for 2020-21 but would be graded as good by 2021-22. She added that, with a forecast to become EBITDA (earnings before interest, taxes, depreciation and amortisation) positive in 2020-21 and a reducing borrowing to income ratio, the Group's financial position was positive.

The Vice Chair of the Finance and Employment Committee commented on the positive forecasts presented by the Group Executive Director Finance and her team in uncertain times and asked whether, in line with the easing of requirements for school's reporting to the Education Funding Agency (EFA), the ESFA were requiring colleges to submit less

forward planning. The Group Executive Director Finance reported that, as yet, there had been no changes to reporting requirements and deadlines and that, having received an RF grant, the Group would probably be required to make an Integrated Financial Model for Colleges (IFMC) submission in September. She added that Etc. was involved with a small group of colleges in testing a new IFMC model.

In response to a governor's question on pay award assumptions in the forecasts, the Chief Executive confirmed that the level of pay awards was already under consideration, including informal consultation with unions, but that, as yet, income levels from apprenticeships and commercial activities going into 2020-21 remained uncertain and would need to be reassessed in the autumn.

Governors **approved** the revenue budget, capital budget and financial forecasts for 2020-21 and 2021-22.

20/58 **Agenda Item 12 – Governance Update**

The Clerk outlined the support provided to other charities and organisations linked to the COVID-19 pandemic and asked governors to consider whether this support was consistent with the college's charitable purposes. Her report also outlined proposed changes to the Standing Orders, governor attendance and involvement in development activities, and national governance issues. The Chair added that he had been pleased with the levels of governor involvement and engagement with recent AoC webinars and events.

Governors:
   i) **confirmed** that they were satisfied that the support provided to other charities and organisations linked to the COVID-19 pandemic was consistent with the Corporation's interests;
   ii) **reaffirmed** their acceptance of the Code of Conduct for governors and **agreed** the proposed changes to the Standing Orders;
   iii) **noted** governor attendance at meetings of the Corporation and its committees, training and development opportunities and other governance events;
   iv) **noted** the national governance update.

Mark White left the meeting.

20/59 **Agenda Item 13 – Chair and Vice Chair Review**

13.1 Chair's Appraisal

The Clerk confirmed that governors were asked for feedback on the Chair's performance annually and thanked them for their detailed comments on this year's Chair's appraisal questionnaire. The Chair of the Search and Governance Committee added that, whilst always a pleasure, the feedback from this year's appraisal had been even better than the previous year; she agreed that governors had given time and consideration to their

responses.

Governors:
   i) **noted** the appraisal outcomes;
   ii) **agreed** to amend future Chair appraisal questionnaires to remove Question 15 (*Strategic governance needs to be balanced by successful tactical planning. How is the Chair doing?*).

13.2 Annual Review of Chair and Vice Chair Appointments

The Clerk confirmed that she had received six written nominations for Mark White's reappointment as Chair and Subhash Chaudhary added his verbal nomination.

Governors **agreed** to appoint Mark White as Corporation Chair.

Mark White re-joined the meeting; Richard Poundford left the meeting.

The Clerk was pleased to inform Mark White of his reappointment. The Chair asked governors if they were happy to support Richard Poundford's reappointment as Vice Chair.

Governors **agreed** to appoint Richard Poundford as Corporation Vice Chair.

Richard Poundford re-joined the meeting.

The Clerk was pleased to inform Richard Poundford of his reappointment.

Governors **agreed** to appoint a Corporation Chair and Vice Chair from 1 August 2020 for a term of office not exceeding four years.

20/60   Agenda Item 14 – Any Other Business

The Chair asked about the possibility of a return to face to face meetings and the Group Executive Director Planning and Infrastructure felt that this would be unlikely in the autumn term.

20/61   Agenda Item 15 - Dates and times of future meetings

Special FE Corporation meeting: Thursday 10 September 2020, 5.30 pm
Governor Workshop: Thursday 24 September 2020, 5.30 pm
FE Corporation meeting: Thursday 22 October 2020, 5.30 pm

20/62   Agenda Item 16 – Approval of Documents for Public Inspection

It was **agreed** that the agenda and supporting documents of the current meeting be made available for public inspection with the exception of the reports for Agenda Items 2, 3, 4, 5 , 6, 7 (including appended Marketing Strategy), 8, 11 and 13.1 which were considered commercial in confidence. Minutes would be made available following approval and consideration at the next meeting.

20/63   Agenda Item 17 - Key Themes
   o   Approval of Subcontracting Levels 2019–20 and Subcontracting, Supply-chain

Fees and Charges Policy 2020-21;

o   Approval of Tuition Fee Policy;

o   Approval of Teaching and Training, Marketing and IT Strategies;

o   Agreed that AuditOne continue as internal audit service providers for 2020-21;

o   Reappointed Subhash Chaudhary as a Corporation member, Richard Poundford as Corporation Vice Chair and Mark White as Corporation Chair;

o   Ratified the appointment of Mark Wilson as a NETA Board member and agreed that NETA Board members undertake DBS checks and Safeguarding training;

o   Approval of revenue budget, capital budget and financial forecasts for 2020-21 and 2021-22

(*The meeting ended at 7.30 pm*)

Approved at a remote meeting   **Date: 22nd October 2020**