

**CHELMSFORD COLLEGE
BOARD OF THE CORPORATION
10 December 2021**

Minutes

Minutes of a Meeting of the Board of the Corporation held at the Committee Room, Moulsham Street Campus, Chelmsford and via MS Teams on Friday 10 December 2021 at 2.00 pm.

PRESENT: Amanda Montague (Chair)
Andy Sparks (Principal)
Trevor Bolton (Vice Chair)
Janet Church
Richard Davidson *
Presley Devenny (Student Governor) till 4.15pm
Susan Hughes *
Nedas Lauranivicius
Sarah Noble *
Christian Norman *
Jaya Patten *
Paddy Reilly
Barbara Vohmann
Doug Zeeman

IN ATTENDANCE: Debs Hurst (Deputy Principal, Finance & Corporate Resources)
Debbie Garroway (Vice Principal, Curriculum & Quality)
Gary Miller (Price Bailey, external auditors) (item **1531.2** only) *
Rob Millea (Clerk to the Corporation)
Joanne Harrington (Assistant Clerk)

*Denotes attendees via MS Teams: all others attended in person

1523. APOLOGIES FOR ABSENCE AND WELCOME TO NEW GOVERNORS

Apologies for Absence were received from Jenny Beaumont.

The Chair welcomed the two new governors present – Janet Church (Staff Governor) and Presley Devenny (Student Governor).

1524. DECLARATIONS OF INTEREST AND NOTIFY ANY CONFIDENTIAL ITEMS

The Clerk to the Corporation renewed his declaration that he acts as Company Secretary of Essex Shared Services Limited.

Barbara Vohmann renewed her declaration as an employee of Anglia Ruskin University and her involvement with links between ARU and Writtle University College.

The Deputy Principal, Finance & Corporate Resources renewed her declaration as a Member Representative on the Essex LGPS Advisory Board.

The Principal and Jaya Patten declared their interests as Directors of Essex Shared Services Limited.

Christian Norman declared his interest as an employee of Essex County Council – Adult Community Learning.

Trevor Bolton declared his interest as non-executive Chair of Navitas UK Holdings Limited, which company runs a number of embedded Colleges within universities offering mainly foundation level courses (Access equivalent). This was a new interest.

As requested by the external auditors, the Clerk reminded governors that in making declarations, they need to consider whether there might be any interests in the College of 'close family' to the governor as highlighted in the Declaration Form. Members of the SMT have also been reminded of this issue.

The Clerk's advice was endorsed by Gary Miller of Price Bailey, who outlined some of the circumstances where a 'close family' relationship could exist.

The following **confidential** items were notified:

- Agenda Item 18 – College Strategic Future
- Agenda Item 19 - Confidential Minutes and Recommendations of the Search Governance & Remuneration Meeting held on 9 November 2021. These minutes were provided only to the independent governors and to the Principal.

1525. URGENT BUSINESS

There were no items of Urgent Business.

1526. MINUTES OF THE MEETING HELD ON 24 SEPTEMBER 2021 AND THE SPECIAL BOARD MEETING HELD ON 15 OCTOBER 2021

The Minutes of the Meeting held on 24 September 2021 and the Special Board Meeting held on 15 October 2021 were **APPROVED** and **SIGNED** by the Chair.

1527. MATTERS ARISING

The Clerk tabled a paper tracking actions arising from the last minutes, which was **NOTED**.

The Clerk will produce papers and lead discussion with the Chair at the Board Development Day on 4 February 2022 on the Chair's Governance Review and the revised AoC Code of Good Governance.

The Minutes of the November Q&L Committee include Student Experience matters covering Learner Voice and the recent student Induction Survey as a Standing Agenda item.

The annual review of the Risk Management Policy will be carried out in the New Year and come to the Board, via the Audit Committee (1 March 2022), at the March Board Meeting. An audit is being carried out by the IAS shortly of this area.

The Board were informed that the 90% threshold of achievement against the Adult Skills Budget was met for 2020/21 (actual 92.5%) and therefore no clawback will arise.

The ACOP Regularity SAQ, (with COVID supplement) was forwarded to the regularity auditor.

The internal audits to be carried out for the College through Essex Shared Services Limited in 2021/22 are Payroll and Fixed Assets.

All other carry forward matters from the last Minutes are covered in the Principal's Report, Governance Matters and in the Finance Report, which are part of this Meeting's Agenda papers.

1528. PRINCIPAL'S REPORT

The Principal presented a written Report for the information of governors.

Overview

He referred to the following issues:

- The academic year continues well
- Five extra efficiency days at Christmas have been granted to all staff
- Learner attendance 87% is good but still issues in English and mathematics where it is over 10pp lower in each case – Presley Devenny mentioned how hard it is to get motivation from a lot of students in this area where their previous experiences in school have been poor
- Learner induction survey very positive with 90% positive returns, with the only issues raised being understanding remote learning arrangements and the importance of the Personal Development Programme
- COVID-19 figures are stable but there is considerable concern over the new omicron variant. Accordingly, mask wearing has been reintroduced for learners, staff and visitors in communal areas
- 93 CO2 monitors in place in classrooms to ensure sufficient ventilation
- Full Ofsted inspections from September 2022 no matter what the previous grade was
- Annual strategic discussion with ESFA/FE Commissioner on 9 November 2021 which was positive
- Follow up Diagnostic Assessment in January 2022
- Format of Active Support Strategic Options Appraisal agreed with FEC
- November face to face Showcase biggest event to date with wide variety of interactive content
- General student behaviour has been very good
- The Government Spending Review provided some funding but it does not close the gap between Colleges and schools

Enrolment

This is covered in Minute **1530.2**. Essentially, the position is positive but there is a considerable challenge in ensuring the Adult Education Budget can be met. Learner numbers for 2021/22 are higher for 16-18 full time learners than last year (highest level ever) and the proportion of full-time learners is up which will impact positively on the College's 2022/23 funding allocation (c.£700K increase).

The Report then outlined the factors relating to other enrolment areas.

Finance

Finance matters highlighted by the Principal are covered in the Deputy Principal's Report – see Minute **1530**. Management is forecasting a break-even budget for 2021/22. The outturn for 2020/21, before pension

adjustments, was a surplus of £117K. The final comprehensive income surplus (including pension adjustments) is £2.8million.

Staffing

This is covered in Minute **1529**.

Curriculum Issues and Quality Improvement

- SAR for 2020/21 and associated Action Plans validated and completed – considered by Quality & Learners Committee on 9 November 2021
- Curriculum Improvement Plan prepared for 2021/22 and reviewed by Q&L Committee – now being actioned
- Four areas of full curriculum intervention for 2021/22 – Engineering, Art, Design and Media (media courses), English and mathematics (functional skills) and construction, Hospitality and 16-18 Apprenticeships
- Observation system for Teaching Learning & Assessment on campus began on 11 October 2021 (28 done so far with 71% of teachers meeting all 5 KEs)
- Professional Development Day held to cover mandatory refresher training, development of digital skills and Health and Well-Being
- Engagement in the DfE Ed Tech Programme with Harlow College now in place
- Commencement of Middle Manager training in November 2021 to cover, for example, performance management, managing priorities and managing difficult situations

Curriculum Development

The Principal provided a summary of changes to Curriculum provision and areas for development, which include development of the transition for T Level in Construction and Education and Childcare in readiness for introduction in September 2022, development of the AEB curriculum, development of the Personal Development Programme and the results of the resubmission with South Essex College of a bid for Institute of Technology.

Estates

This is covered in Minute **1530.4** and includes an outline proposal to refurbish the Sports Hall in partnership with Chelmsford City Council.

Business Development, Marketing, Careers Advice and Showcase Events

The Principal provided a commentary on activity in these areas. Key highlights:

- Analysis of local skills gaps and new ways to work with ARU
- Face to face Showcase events now being held again
- Increase contact with the Construction sector to attract support for new Construction Centre and the new T Levels
- Work on producing the new Strategic Plan
- Additional events involving employers

Strategic Plan

The Principal referred to the discussion at the Board Development Day in October 2021. A limited redraft of the existing Strategic Plan (2018-21) to update it for the 2021-23 period was presented for review.

A full new Strategic Plan is to be created and implemented from 1 August 2023.

The Principal explained the proposed amendments – staff wellbeing, green agenda, forward thinking, management of the pandemic as it progresses, FE Skills White Paper (Act in New Year) and careers development.

Nedas Lauranivicius said that pictures of students in the updated Plan is a good idea, subject to them giving permission under GDPR and privacy rules. He said that students are the community and the College should promote them strongly.

The Board **AGREED** the amendments/additions proposed by the Principal and that the updated Plan be published by 1 January 2022.

Governor questions

The Principal emphasised the challenge of making English & maths more interesting and the College will actively pursue more imaginative methods in learning. However, ultimately, students must take an examination in both subjects and that, in itself, is a challenge for those students.

Richard Davidson said that, as an employer, Maths & English is vitally important and students have got to do it. He offered to help in encouraging students in taking it seriously because businesses do need recruits to be numerate and articulate.

This point was endorsed by Jaya Patten – creative teaching, identifying stress areas, ongoing monitoring and evaluating the impact, convincing

learners of the necessity of E&M – no doubt there is a big change in psychology for them.

Susan Hughes asked a question about supported Internship in Horticulture and Animal Care for Extended Learning students. The Principal said that the College is the only provider in Mid Essex. The VPCQ said there was scope for further internships in other areas, e.g. Health, which are being pursued with Broomfield Hospital. It is exciting and potentially rewarding to get the internship programme off the ground.

Susan Hughes asked if there is yet any money to support the introduction of T Levels. The Principal said that there is none so far and the College is still waiting for feedback from the Skills Minister as to why the College's bid for supportive funding failed. The College has been told the College did not meet the criteria for one element of the bid but there is no information as to why the other two elements did not measure up.

Sarah Noble observed that there remains a lot of work to embed E&M in vocational areas and more transparency is needed than at the moment. The VPCQ said that M&E must be 'sold' to students through the CAMs – this is improving, and the Intervention Plan is the vehicle to push this forward with curriculum leaders.

Presley Devenny was very complimentary about the Extended Learning experience and the internship initiative, based on personal knowledge of which she was aware.

In the draft Strategic Plan update, Paddy Reilly was concerned that the expression 'vast majority' is used but there are no figures alongside this expression. The Principal said that use of numbers depends on the audience involved but, as far as Ofsted is concerned, the wording was acceptable.

Richard Davidson said that the Plan needs monitoring regarding the success of partnership working, acknowledging that it is difficult to evaluate and quantify.

The Principal's Report was **NOTED**.

1529. HUMAN RESOURCES REPORT

The Board **RECEIVED** a Report from the Deputy Principal, Finance & Corporate Services on Human Resources matters.

The key points were:

- **Turnover** to date for this academic year annualised is 28.9% against 15.66% to this date last year and a target for the year of 18%. The AoC benchmark (2018/19) is 17.9%. This has slightly improved in the last few weeks from 34.64%
- The increased turnover is common in FE Colleges generally and reflects a number of factors possibly the end of the furlough scheme and lockdown restrictions being lifted and staff taking the decision to balance their work/life split. Also, some staff have sought a change in employment to a position where there is more flexible working between home and office
- Staff **recruitment** activity continues to be high, and staff have been recruited to 17 posts since September principally through face-to-face recruitment process. Of particular significance is four recent appointments within Electrical and Construction. There are 19 open vacancies. The College is using Indeed.com for recruitment and having good responses
- There is likely to be a continuing requirement to use agency workers to fill 'hard to recruit' areas (there are 7 at present) positions
- Very difficult to recruit LSAs.
- Sickness **absence** was slightly lower than target at an average of 5.04 days (6.46 days last year to this date), mainly attributable to a small number of staff with long-term health problems. The target for the year is 5.2 days per person per annum. The current AoC benchmark is 5.4 days in the Eastern Region
- The College continues to be very active in **Mental Health and Wellbeing** initiatives and the Report covers the various initiatives put in place, recognising the additional challenge of lockdowns and return to 'normality'
- Some examples of recent activity include podcasts, aligning with National Campaigns, cycle to work scheme, Staff Wellbeing Newsletter, intranet area for Mental Health and Wellbeing.
- Scheduled workshops for staff to engage with the Mental Health Advisor held during September and October

Detailed summary of COVID-19 related issues was included in the Report covering the following

- Number of staff testing positive for COVID (3)
- Stay Alert Policy
- Department and Individual Staff Risk Assessments
- Safeguarding of staff and students (anxiety levels)
- Availability of COVID-19 home testing kits
- Electronic COVID-19 reporting system
- FAQs on Staff Wellbeing intranet page
- Expectation of staff compliance with safe practices reinforced, including twice weekly lateral flow tests being encouraged, which

reflect the recent announcements by Government this week concerning mask wearing and, where possible, working from home

The Board was also informed of the Kickstart Scheme being used by the College with five advertisements currently live.

Employment Relations remain positive. A joint meeting of UCU and Unison was held on 26th November 2021.

All sixty HR policies have been reviewed and updated where necessary, with assistance from the College's legal advisors, Peninsula.

Incremental pay progression is being reviewed for some staff for this year. The rise in the National Minimum Wage will require a number of changes for some staff with further work being necessary to preserve differentials. The Dovedale Nursery pay structure is also under review to ensure competitiveness.

There have been no claims made to Employment Tribunal and two grievances have been raised formally.

Twenty members of staff have been identified by the CEG who require incremental progression with a cost of about £25K this financial year paid from 1 January 2021.

Governor questions

In response to Presley Devenny, the DPFCS said there is no intention to return to online learning under revised Government guidance just issued but this is a moving feast. The DPFCS reiterated that the Learning Resource Centre is always open to any students who do not have appropriate technology. She reported that some technology has been delivered to students' homes.

Richard Davidson asked if there are leaving interviews held with departing staff. The DPFCS said they are if the staff member wishes to so engage, which not all do. There is no requirement to do so. Details of outcomes of these interviews (anonymised) are collated and will be shared with the Board at the next Meeting.

ACTION: DPFCS

Otherwise, the Report was **NOTED**.

1530. FINANCE REPORT

1530.1 Management Accounts for the three months ended 31 October 2021

The Deputy Principal, Finance & Corporate Resources presented the Management Accounts for the three-month period ended 31 October 2021 for discussion, comment and approval by the Board. These accounts have been reviewed by the two designated Finance Governors (Jaya Patten and Amanda Montague).

For the year to date, the College is showing an operating surplus of £172K against an original budgeted deficit for the period of £6K, a favourable variance of £178K. The surplus includes £15K arising from the Nursery.

Total income amounted to £4.009 million and total expenditure amounted to £3.837 million. Income is £117K below budget mainly due to lower achievement in AEB but the figures to date are phased and should improve. However, the AEB is being closely monitored as it continues to present a considerable risk.

Meanwhile, expenditure is £295K better than budgeted, due to staff costs savings of £172K and favourable variance on other operating expenditure. Pay expenditure will rise as the year progresses as noted in minute **1530.3**.

Financial Health has improved to GOOD due to the improved EBITDA as a % of income, but this is expected to revert to Requires Improvement by 31 July 2022.

The Accounts were accompanied by a Detailed Commentary explaining the variances from budget. These management accounts do not take into account any adjustments which will result from including FRS102 pension adjustments.

The Financial Health table with detailed calculations of the scoring on the ESFA methodology was provided to members.

At 31 October 2021, group net assets stood at £14.7 million, including cash of £2.0 million and revalued fixed assets of £29.7 million.

Cash flow has been positive for the year mainly due to as yet unspent capital funds received. However, there will be considerable pressures on cash flow early in 2022 and it is possible that an overdraft will be required during that period. The Bank have been approached regarding a facility at that time of £300K.

There are currently 49 days cash in hand (target 33), but this is forecast to decline to 33 days by 31 July 2022.

The current ratio stands at 0.69.

Pay expenditure as a percentage of income is 67% against budget of 69%, but above the ESFA target of below 65%. This is caused by the lower income of the College under the lagged funding model for this year and effects on income of COVID.

Borrowing as a percentage of income is 21%, well within ESFA tolerances, but slightly higher than target of 19%, again due to lower income levels.

The debt service covenant for Lloyds Bank has not been met because income from ECC has not yet been received (£500K). This is being chased and is expected shortly. Other bank covenants are currently being met. Lloyds Bank have been informed and no action is proposed.

The Chair referred to the possibility of an overdraft facility being requested, and the debt covenant being breached. Essex County Council have caused the breach due to late receipt of monies for Extended Learning provision. In addition, there will be money from SELEP for capital forthcoming shortly.

Gary Miller of Price Bailey said that, if the bank debt covenant might be breached at 31 July 2022, then a waiver from the Bank needs to be in place before the year end to avoid the Bank borrowing being reclassified as a short-term liability in the 2022 Accounts.

The DPFCS is in discussion with the Bank now as to the likely position regarding the covenant as at 31 July 2022.

ACTION:DPFCS

The Board received a summary of outstanding debtors which totals £192K, of which £84K is due from Essex County Council. £97K is outstanding on Nursery debts, of which approx. £73K is not yet due under the instalment payment system. However, there are several debts due for over 3 months (c.£15K) which are being collected through Essex Shared Services debtor control team.

The Board **APPROVED** the Management Accounts for the period ended 31 October 2021.

1530.2 Learner Numbers and Funding for 2021/22

The College recruited an increased number of full-time **16-18 students** this year compared to last year (by 76), which is the highest number the College has seen.

The proportion of full-time learners in this recruitment has increased which will impact positively on the College's 2022/23 16-18 funding allocation – higher by about £700K, under present rules. There is a hope that the individual student rate for next year might be increased by around 2%, but that is not yet confirmed.

The Board noted that the Government has continued the Tuition Fund for this year and the College should receive £211K. This is to support learners in Maths and English, who missed learning during the pandemic.

The Chair asked whether there is any flexibility from the ESFA as to how it can be used, not just for Maths & English. The Principal will follow this up with the ESFA.

ACTION: PRINCIPAL

Recruitment of **19+ students** is marginally ahead of target (AEB) at this stage of the year but remains an ongoing challenge. Efforts are underway by Senior Management to ensure this funding line is maximised, which may include obtaining additional volume early next year. It is acknowledged that this is a risk and is so shown in the Risk Register.

Apprenticeships recruitment/starts are above last year (+18), even though it was expected to be impacted by the effects of the pandemic. The position is quite encouraging. It has been helped by the extension of employer incentive payments by the Government. Conversely, recruitment is not helped by the level of bureaucracy which faces employers in recruiting and maintaining apprentices.

Advanced Learner Loans recruitment has declined from last year and is forecast to outturn below last year's figure (£40K). It is due primarily to lower numbers in Access Provision - Health. Some learners now qualify for government funding rather than taking out a loan in this area.

Taken as a whole, there is reasonable confidence that the budgeted income for the year (see below) can be achieved.

The Report was **NOTED**.

1530.3 Budget 2021/22 and Forecast

The Board were informed that the Budget for the year will achieve a break-even position, based on current knowledge, in line with the Budget approved by the Board in July 2021. There are changes within income and expenditure lines in the recent forecast compared to the original budget, but they broadly balance out.

Payroll costs will rise later in the year due to rise in NMW, implementation of a pay review and the NI rise from April next year. Additional income will come from the Tuition Fund to support students in Maths and English. A key challenge is to restrict agency staff expenditure so far as possible within the need to meet students' learning needs.

Full details of the known fluctuations are itemised in the Finance Report provided to the Board.

1530.4 Property Update

The Board were informed that the new Construction Centre at Princes Road is due to complete by 18 February 2022 and is on budget.

In addition, the Board were **ASKED** to consider a **proposal to refurbish Dovedale Sports Hall**, in collaboration with Chelmsford City Council. The Sports Hall is owned by the College and usage shared between the College and the City Council.

In this regard, the DPFCS provided a detailed paper explaining

1. The extent of the refurbishment proposed
2. Cost assumptions (estimate of £1.2 million)
3. Intended Benefits
4. Procedural Matters

CCC intend to place the scheme in their Capital Programme for 2022-24.

The College have indicated that the maximum contribution to the project from the College would be £270K and this would be over three years.

Governor questions

Trevor Bolton was concerned about the ability of CCC to manage the project – local consultation, budget control, timing of doing the work, reputational issues with the community and the potential/existing users. He said that they do not have a good track record especially with consultation and budget control.

This comment was echoed by Paddy Reilly, who also felt that further clarity was needed as the project is scoped out regarding its ability to satisfy the needs of the primary users.

The Principal commented that costs are rising in current environment, but CCC are clear that the College only have £270K available for the project.

Barbara Vohmann was also worried about costings and the risks in it overrunning as the work is done. She wanted assurance that a clear and precise legal agreement is entered into and the College's liability for cost is unequivocal.

The Principal made the point that the refurbishment is long overdue and CCC financial assistance is attractive. The Hall cannot be just left as it is and he said that the history of the College working with CCC has been quite good.

Richard Davidson said the project was the right thing to do but there is a need to tighten the proposal and to look at the energy efficiency as part of the project where grant monies could be available.

The Chair asked that the College ensures students' needs are met in pursuing the project and that they should be consulted through Learner Voice.

The Board **APPROVED IN PRINCIPLE** capital investment of £270K by the College, timing to be agreed, to facilitate a bid with Chelmsford City Council within the Council Capital Programme in January 2022.

1530.5 Cash Flow and ESFA Finance Record

The Board **NOTED** the projected cash flow forecast for the period through to December 2022, which is used as part of the evidence supporting the Going Concern principle applying to the College.

The DPFCS reminded the Board that the headroom of cash in February/March 2022 is tight. Accordingly, arrangements for a temporary overdraft facility of £300K are being put in place, for prudence, with the College's bankers (Lloyds) for this anticipated tight cash period, even though it may not be necessary.

The DPFCS explained to the Board that the forecast cash flow reflects the monthly funding profile and the budget which has been agreed by the Corporation.

The Board further **NOTED** that this forecast will be submitted as part of the **ESFA Finance Record** by the deadline of 31 December 2021, along

with the Annual Report and accounts and information on student numbers and the College estate. This facilitates the production by the ESFA of a benchmarking tool in a consistent format.

1530.6 Financial Regulations

The Board **APPROVED** the revised Delegation Schedule which accounts for changes in the College Executive Team and consequent changes to Bank Signatories.

The DPFCS does not propose any substantive amendments to the main documents or the appendices this year (last full review in December 2020).

1531. ANNUAL REPORT & FINANCIAL STATEMENTS 2020/21

The Deputy Principal, Finance & Corporate Services **PRESENTED** the Draft Annual Report and Financial Statements for the year ended 31 July 2021 for the College Group, comprising the College and Dovedale Nursery CIC (the College's wholly owned subsidiary company) and the College's share of the results and the assets and liabilities of Essex Shared Services Limited (joint venture company with South Essex College).

The Accounts of ESS have not yet been formally approved by the ESS Board but this is expected shortly so that a signed copy is available when the College Group statements are signed off.

The audit of the College Group Accounts is complete, and Price Bailey have indicated that they will provide an unqualified opinion on the accounts.

The Board noted that the College's share of the net loss of ESS Limited for the year was £36K.

The Board also **NOTED** the Audited Financial Statements of ESS Limited, although they await final signature. This is not necessary before the College Group accounts are signed off as the ESS accounts are not material to the College Group accounts. In addition, the Board **NOTED** the Letter of Representation required by Price Bailey from the ESS Board in connection with their audit of ESS Limited. Price Bailey do not require a Letter of Comfort in respect of ESS Limited.

The Board were informed at their September Meeting (minute **1516.3**) of the changes from the end of year Management Accounts, relating wholly to pensions accounting and the loss noted above relating to ESS Limited.

The Board **APPROVED** the Accounts for the Group being prepared on the **Going Concern basis** and specifically endorsed the disclosures made on page 18 of the Annual Report and in Note 1 to the Financial Statements on page 38. The auditors are content with these disclosures and agree that the College can be regarded as a going concern.

The Board also **APPROVED** the **Public Benefit Statement** on pages 7 and 8 of the Annual Report and in Note 1 to the Financial Statements stating that the College complies with the charitable objectives guidance of the Charity Commission regarding, in particular, the advancement of education.

The Board **NOTED** that the deadline for submission of the final audited Accounts and Report to the ESFA is 31 December 2021.

The regularity audit is complete, and an unqualified report will be issued by Price Bailey. They did not identify any material audit adjustments during the audit.

The Audit Committee reviewed the draft Accounts and Report together with the Price Bailey Audit Highlights Memorandum in detail at their Meeting on 23 November 2021. The Clerk has also reviewed the Annual Report and Accounts. The Accounts and Report are unchanged since then, save for textual amendments.

The Clerk informed the Board that the Annual General Meeting of Dovedale Nursery CIC for 2021 is deemed to take place at this Meeting. The business to transact, other than compliance with the law regarding the holding of AGMs, is the approval of the Dovedale accounts for 2020/21, which, as for the College, are unqualified by Price Bailey.

Susan Hughes referred to disclosures regarding staff who are trade union representations. The format of the table is in the format required by the ESFA and essentially in relates the number of union representatives to the total number of employees.

Richard Davidson and Paddy Reilly asked about the time frame of payment of invoices, which is currently 50% paid in 30 days and lower than the Fair Payment charter, and how it is going to be improved to 100%.

The DPFCS explained that terms are negotiated with suppliers and there are different terms for different suppliers, which may be longer than Government targets. The DPFCS suggested that this issue be reviewed by the ESS Board, as ESS is charged with making payments and negotiating terms during the procurement process.

ACTION: DPFCS

1531.1 Going Concern Report

The DPFCS **TABLED** a Report to support the preparation of the Accounts of the College for the year ended 31 July 2021 asserting that the College is and will continue to be a Going Concern for the twelve months from today for the consideration of the Board.

The Paper outlined the statement regarding Going Concern which is included in the Annual Report and specifically commented on the following areas

- Debt Management - £3.5million of outstanding loans which will be sufficient for the College's needs
- Student Numbers – increase in enrolments for 2021/22 will lead to additional 16-18 core funding under the lagged funding model in 2022/23
- Capital Expenditure – ability to fund contribution towards the new Construction Centre and match funding for T level capital works
- Budget for 2021/22 – break even or a small surplus, before pension accounting adjustments is likely
- Cash Flow – projections done to July 2023; short term overdraft may be necessary in early 2022 (£300K requested from Bank) and need to closely monitor the compliance with the Lloyds bank covenant (see minute **1530.1**) whilst compliance was achieved at 31 July 2021

On the basis of this information, the Board **APPROVED** the Going Concern Statement as shown in the Annual Report and Accounts.

Further information is included in the Audit Committee Minutes of 23 November 2021.

1531.2 Audit Highlights Report

Gary Miller of **Price Bailey** presented their written Report on the Audit, which had earlier been considered by the Audit Committee on 23 November, supplemented by a verbal presentation, as required by paragraph 66 of the Post 16 ACOP 2020-21.

This Report mirrored the Report given to the Audit Committee on 23 November 2021 as described in the Minutes of that Committee, summarised as follows:

- No significant findings from areas of significant accounting judgement
- Risks addressed by Price Bailey were explained

- The College is in their view a Going Concern
- Audit opinions on the financial statements audit and the regularity audit both unqualified
- No audit adjustments discovered
- One minor audit recommendation regarding use of credit/debit cards which will be followed up by the Audit Committee
- Review disclosure of related parties by governors in respect of 'close family' (covered in Minute **1524**)
- High quality management accounting function which gives ongoing confidence to the governors of the College
- Consolidated accounts including Dovedale Nursery do not have to be prepared

The Board **RECEIVED** the Report by the external auditors.

After due consideration, the Board **APPROVED:**

- The Audit Annual Report & Financial Statements for the Chelmsford College for the year ended 31 July 2021 (including the Going Concern Statement and the Public Benefit Statement, as noted above)
- The draft Letter of Representations for Chelmsford College (financial statements and regularity)
- The audited Annual Report & Financial Statements for Dovedale Nursery CIC for the year ending 31 July 2021
- The draft Letter of Representation for Dovedale Nursery CIC

In respect of the above documents, the Board **AUTHORISED** the Chair to sign the accounts and representation letters on behalf of the Board and the Principal (as Accounting Officer) to sign the accounts of the College Group.

1531.3 Teacher's Pension Agency Return

The certificated return of contributions to the Teachers' Pension Agency for 2020-21, audited by Price Bailey, external auditors of the College, was **NOTED**. It confirmed that all pension contributions have been paid in accordance with the TPA regulations.

1532. EQUALITY & DIVERSITY ANNUAL REPORT 2020/21

The Annual Report on Equality & Diversity for 2020/21 was **PRESENTED** by the Vice Principal, Curriculum & Quality.

This is a regular Annual Report so that the Board can review learner outcomes from this perspective and provide transparency to Ofsted and other outside agencies.

The VPCQ reported that the College continued to make significant progress towards reducing or eliminating key performance gaps between different groups of learners during 2020/21. This is a key focus of Ofsted. Progress continues to be made in reducing performance gaps between different groups of learners and there are continuing positive trends. However, there are still some concerns as in some categories the performance gap of learner outcomes increased whilst others declined during the year, thus producing a mixed picture.

The COVID pandemic has impacted College life across the board, and this has had implications for equality and diversity issues.

Key performance highlights:

- Gender performance gap has increased to 2.5% (females higher) compared to 1% last year for 16-18 learners and a gap of 3.3% with females higher at 19+ (last year 2.7% - males higher)
- Negligible gap between British and other ethnic groups in 16-18 learners (0.2%) but the 19+ group had a larger gap of 7.8% (last year 4.6%) with ethnic groups higher (last year lower) – a considerable turnaround as those groups' achievement rate rose from 82.2% to 94.4%. It is noted that the learner numbers in ethnic groups are small relatively
- The success rate gap between 16-18 learners with declared LDD and those not was 2.9% (last year 1.8%) – LDD performed better in both years – however, the position was reversed amongst 19+ learners where LDD learners achievement rate was 7.9% lower than non LDD learners (last year 1.6%) – probably due to the impact of disrupted learning patterns during full and partial lockdowns
- Looked After Children at the College in 2020/21 had an achievement rate 7% lower than the College rate for 'non-LAC' learners, the same as last year – this is a national concern and reflects, in part, their lower retention rate (59 students in 2020/21)
- Gap between Apprenticeships by gender – females outperforming males by 13.7% (last year 18.0%)
- Increased gap in attendance rates by gender – this year female attendance 5.1% higher than male attendance whereas the attendance rate has been consistently virtually identical for the previous three academic years (1% or lower) – consistent as between 16-18 students and 19+ students

Actions for 2021/22:

- Reduce the achievement gap between male and female learners at 16-18 and amongst apprentices

- Reduce the emergent achievement gap between ethnic groups at 19+ and apprentices
- Reduce the achievement gap between LAC and other learners

The VPCQ then commented on E&D data in respect of staff, covering gender analysis (68% female) broadly unchanged from previous years and consistent with the sector. It was noted that nearly 80% of part time staff are female.

The ethnicity analysis shows ethnic defined staff are 12% of the total (last year 12.5%) noting that 5% of staff choose not to disclose their ethnicity. This is roughly in line with the local community. Regarding disability, the number disclosing a disability is about 3% of total staff, better than the sector as a whole.

The DPFCS pointed out the increasing and continuing trend of the age of staff was an issue for the College with 52% of staff aged 50+ - again, consistent with the sector. Succession planning is a continuing challenge, exacerbated by the effect of the pandemic on staff in considering their future and other lifestyle and wellbeing issues. This is reflected in the increased staff turnover and difficulties in filling vacancies.

Of staff aged 60+ (approx. 67), two thirds of these are in part time posts.

Questions from governors

Barbara Vohmann asked whether females coped with remote learning better than males, given the gender achievement gap noted above. The VPCQ said that seems to be reflected in achievement levels generally and, specifically, reflects the fact that more males were on practical courses which are more difficult to deliver online as no practical work can be done, which are essential for those courses.

Trevor Bolton observed that small learner groups can distort apparent statistics.

Paddy Reilly said that trends need to be looked at over more than one year especially in areas where there are relatively few learners and this will be done.

The Board **APPROVED** the Annual Report.

1533. ANNUAL HEALTH & SAFETY REPORT 2020/21

The VPC&Q **PRESENTED** the Annual Health & Safety Report 2020/21 (prepared by Terry Gann - Head of Estates) for consideration by the Board.

It follows the same format as last year and covers the following areas:

- Management systems in place
- Systems and software
- Risk Management
- Feedback on routine Health and Safety inspections
- Staff training
- External audit
- Analysis of accident/illness statistics/RIDDOR reporting
- Educational visits and work experience

The Board **NOTED** the following key points arising from last year:

- Refresher training mechanisms
- Both campuses subject to formal Health & Safety audits on a regular basis including COVID19 risk management (see below)
- Increased reporting of minor accidents due to better education with students, more staff being involved in reporting and the return of student to the campuses since lockdown ended
- No injuries reported to RIDDOR
- Fire risk assessments reviewed internally by H&S team but no external reviews during the year by fire service
- Checks of employers' workplaces as this area of work grows (e.g. care homes)

The Report explains in detail how the COVID-19 pandemic has affected and dominated Health & Safety processes in the College. It comments on issues such as ongoing inspections, review of risk assessments, safe working environments, training for staff and COVID safety at employer premises.

The Report outlines several recommendations to further enhance the Health & Safety features and controls.

The Board were reminded that Health & Safety is a standard Agenda item on SMT Meetings each week.

The Board **APPROVED** the Report for 2020/21.

1534. ITEMS FOR APPROVAL

The Board **RECEIVED** a number of Reports for consideration and approval. All of these papers had been considered in detail by either the Board or a Committee and were recommended for formal approval by the Board.

The documents had been all uploaded on the Governors' Portal to enable visibility by all Governors.

The Board then formally **APPROVED** the following documents and Reports:

From the Quality and Learners Committee (9 November 2021)

Self-Assessment Report 2020/21
College Improvement Plan 2020/21
Annual Safeguarding Report 2020/21
Academic KPIs for 2021/22

The SAR and the CIP have been uploaded to the Governors' portal.

The SAR for 2020/21 will now be loaded on the Ofsted portal.

From the Audit Committee (23 November 2021)

Annual Report of the Audit Committee 2020/21 (which was then signed by the Chair of the Committee)
Annual Data Protection Report 2020/21

From all Committees

Terms of Reference (following annual review in each case)

1535. KEY PERFORMANCE INDICATORS

The Board **RECEIVED** a detailed paper itemising KPIs for the College and current progress and performance, with commentary.

The Board **APPROVED** all KPIs (HR/Academic/Finance) for 2021/22 as itemised in the KPI Paper.

The items RAG rated as RED (behind target) are overall attendance, % of students with above 80% attendance in Maths and English, students making progress on or above their TAG and proportion of 5KEs being met in Lesson Observations, staff turnover level and % of new staff having had performance targets set by their managers.

Sarah Noble asked if there is a plan for the future of HE courses in College as numbers have declined. The VPCQ said that there was a current discussion around HE as part of the overall curriculum review. Higher apprenticeships need to be looked at, but it is not clear the size of the market for us in mid Essex.

Sarah Noble also specifically noted that the HE media provision has very small numbers – the Principal said that the HE Media pilot was introduced when the Writtle merger was being discussed and this would be a key element.

The Chair asked that the staff table in the paper include absolute numbers.

ACTION: DPFCS

The Report was **RECEIVED**.

1536. RISK REGISTER AND DASHBOARD

The Deputy Principal, Finance & Corporate Services provided the updated Risk Register and Dashboard as at 23 November 2021 and Members were directed to the Minutes of the Audit Committee held on 23 November 2021 where a detailed Risk Management Report was received and discussed.

The DPFCS stated that an audit of Risk Management is commencing next week and will be reported to the Audit Committee on 1 March 2022.

The DPFCS pointed out that the current risk status on the Register is that there are 27 key risks noted, made up of 4 RED risks (as noted below), 15 AMBER risks and 8 GREEN risks.

The four RED risks are COVID-19 staff protection processes, Functional Skills intervention plan, Staff Recruitment and T Level equipment/capital works

Further information on the risks can be found in the Audit Committee Minutes.

The Register continues to show internal and external sources of assurance addressing the items in the Risk Register.

The Board **NOTED** the Report.

1537. MINUTES OF COMMITTEE MEETINGS

The Board **RECEIVED** a copy of the unapproved Minutes of the following Committee Meetings which have taken place since the last Board Meeting on 24 September 2021, as follows:

- Audit Committee – 23 November 2021
- Search Governance & Remuneration Committee (except for confidential items re remuneration) – 9 November 2021
- Quality & Learners Committee – 9 November 2021

The Board also **RECEIVED** the Report on the Board Development day held on 15 October 2021 (which is deemed Confidential) – these have been approved by the Chair.

1538. GOVERNANCE MATTERS

The Clerk **REPORTED** on current Governance Matters for consideration by the Board.

Governor Appointments and Recruitment

The Clerk reported that two new governors have been appointed since the September Meeting – one staff governor (Janet Church – by email resolution on 1 December 2021) and a student governor (Presley Devenny – at the Special Board Meeting on 15 October 2021). Presley has joined the Quality & Learners Committee and Janet has joined the Audit Committee. Induction has been provided to both new governors.

The Board now has one vacancy for an independent governor and the Q&L Committee has one vacancy as does the Audit Committee.

The Search, Governance & Remuneration Committee discussed recruitment at their Meeting held on 9 November 2021 and it was agreed to recruit a qualified accountant. The Principal said that the AoC is to be used to recruit a new governor who is preferably a qualified accountant and the advertisement will be posted in January 2022.

Clerking Services 2022/23

The Board **NOTED** that the Clerk intends to retire on 31 July 2022, when his current contract expires. The SGR Committee have begun the recruitment process for his replacement, as noted in the SGR Minutes of 9 November 2021.

Re-Appointments of two independent governors

On the recommendation of the SGR Committee, the Board **APPROVED** the re-appointments of Sarah Noble and Susan Hughes for two-year terms in each case as from 24 March 2022.

Committee Memberships

The Board **RECEIVED** a schedule of Committee Memberships, to apply from 1 January 2022.

Governors' Development Day 4/2/22

The Principal indicated some suggested content for the Day including the following:

- Learning Walks
- Governance issues – Chair's Governance Review and revised AoC Code of Good Governance
- Sustainability (presentation by Steve Frampton of AoC FE Climate Change team)
- FE Skills Bill
- Tour of new Construction Centre
- Meeting with students over lunch
- Update training on Safeguarding and PREVENT
- Future Strategy

ACTION: PRINCIPAL

Reports on Governor Champions programme

The programme is now in place and some visits have already taken place. Further detail is included in the Q&L Minutes of 9 November 2021. The programme will be kept under review to ensure it is productive, without being burdensome to staff.

Barbara Vohmann commented on a recent visit she had undertaken and the benefit of it working both ways.

1539. ANY OTHER BUSINESS

The Board **APPROVED** the appointment of Richard Davidson as designated Careers Governor.

There were no other items of AOB.

1540. DATES OF NEXT MEETINGS

Friday 4 February 2022 (Governors' Development Day) – 9.00 am at Princes Road

Friday 25 March 2022 at 2.00pm

Thursday 7 July 2022 at 2.00 pm

There being no further business, the Meeting terminated at 4.50 pm.

Signed.....Dated.....