

**CHELMSFORD COLLEGE
BOARD OF THE CORPORATION
23 SEPTEMBER 2022**

Minutes

Minutes of a Meeting of the Board of the Corporation held in the Committee Room, Moulsham Street Campus, Chelmsford and via MS Teams on Friday 23rd September 2022 at 2.00 pm.

PRESENT: Amanda Montague (Chair)
David Warnes (Principal)
Jenny Beaumont
Trevor Bolton (Vice Chair)
Janet Church (Staff Governor)
Susan Hughes
Peter McKerchar
Sarah Noble
Christian Norman *
Jaya Patten
Paddy Reilly *
Doug Zeeman
Barbara Vohmann
Paolo Chaffey (Student Governor)
Josie Lovett (Student Governor)

IN ATTENDANCE: Debs Hurst (Deputy Principal, Finance & Corporate Services)
Debbie Garroway (Vice Principal, Curriculum & Quality)
Fiona Chalk (Clerk to the Corporation)
Mark Emerson
Amy Simmonds

*Denotes attended through MS Teams – all other attendees present in person

The Chair welcomed the two new student governors.

1580 GOVERNOR CHANGES

- Resignation of Andy Sparks (outgoing Principal) as a Governor – ex officio
- Appointment of David Warnes (incoming Principal) as a Governor – ex officio
- Appointment of new Student Governors
- Appointment of David Warnes as Director of Essex Shared Services Ltd and Dovedale Nursery.

The Board resolved to approve all the above changes.

1581. APOLOGIES FOR ABSENCE AND WELCOME TO NEW GOVERNORS

Apologies for Absence were received from Nedas Laurinavicius (Staff Governor), Richard Davidson, and Alan Pitcher.

1582. DECLARATIONS OF INTEREST AND CONFIDENTIAL ITEMS

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

Jaya Patten declared an interest as Directors of Essex Shared Services Limited.

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

Barbara Vohmann declared her interest as a staff member at ARU.

1583. URGENT BUSINESS

See Confidential Minute

1584. MINUTES OF THE BOARD MEETING HELD ON 7 JULY 2022

Item 1560. Declaration of interest – Trevor Bolton’s to be updated

It was noted that the minutes are rather long and contain a considerable amount of information lifted from the reports. It was felt that the minutes could be shorter and more concise, to reflect the conversation in the room in a more succinct manner, reflecting the discussion, decision, rationale, and any support and challenge.

Clerk/chair to action

- Page 20 amendment– Not Deputy, should be Vice-Principal.
- Page 22 amendment – Governor challenge – weren’t 13 visits in the term, it was in-year.

Subject to the above amendments, the Minutes of the Board Meeting held on 7 July 2022 APPROVED and SIGNED by the Chair.

1585. MATTERS ARISING

Members noted the paper tracking actions arising from the last Meeting of the Board.

The Board NOTED the following:

- IoT agreement has been signed, and this is an item for the Away Day on 14th October
- Appointment to the Head of Business Unit begins on 17th October.
- Leasing arrangements report going to the PS&R committee in November
- All other items appear elsewhere in the agenda.

1586. PRINCIPAL'S REPORT

The principal presented a written Report for the information of governors, focusing on the following topics:

Overview

There is a year outturn deficit of £96k largely due to a legal ruling on part-time workers holiday pay. The Nursery is generating a healthy surplus and Barclays Bank covenant are met.

New Lloyds Bank covenants have been proposed and management have accepted them but the college hasn't received the formal documentation yet, they should be available at the PS&R cttee for approval. The covenants are based on cash holding targets which replicate the position on the college's financial record. The Bank will not apply these covenants until towards the end of the year.

Enrolment Data 2022/23

The data is broadly positive, numbers are marginally up, and the college now needs to retain these learners. There is a slight downturn on full-time learners. Adult numbers have declined, which reflects the national picture. The college will review the reasons for declining numbers on some programmes, and the curriculum offer will be reviewed to ensure it meets the needs of local learners.

A lot of work has taken place over the summer, with the launch of a new app for student induction. The student governor advised that some students had a little trouble accessing the App for induction as the pages on the website wouldn't load on the enrolment piece, but overall, it was a positive experience.

The student governors stated that induction felt quite quick, and some students weren't invested in all of it. For example, some of the mental health

information was quite hard to digest, as it was a lot of information over a long period of time – about 2 hours. Overall, it was a smooth process and they felt they got all the information that was required. They confirmed that sustainability was covered in induction.

Safeguarding cttee to be advised of the delivery issues of the mental health & safeguarding element of student induction

Staff /HR issues (recruitment/turnover)

Staff turnover is currently higher than the AoC benchmark which matches a national trend post covid. It is hard to recruit due to the financial position of the sector. All management posts are in place and for teaching posts it is anticipated, there will be less use of agency staff. Technical skills are particularly hard to recruit to, as are the business administrative posts.

Subcontracting Arrangements for approval 2022/23

Subcontracting, there was some lateness of completions last year, so management are looking to ensure contracts are in place early on to prevent any need to seek additional numbers at the end of this year. The college is working with two key partners - Learning Curve and Skills Network – the contract values are to be confirmed.

The Board resolved to approve these sub-contractors and approved the carryover of learners from last year, with a value of £140k in total.

Governors:

This money is the previous years' money and governors would like to know what the plan is going forward to ensure they are not having this conversation this time next year.

There is £200k of new money this year, and management are very keen not to repeat this again and will be working with these providers to complement existing provision such as progression into full-time delivery at the college. A detailed subcontracting plan will be put before governors. The action taken so far is that the college have front loaded provision into August and September this year, to minimise the risk of carryover next year.

Governors agreed that this action provides some comfort and stressed how important it is to ensure the college avoids clawback. Management agreed that early contracting and early drawdown helps prevent this.

The incoming principal expressed his experience of working with these sub-contractors and stated it was a good experience, with good quality provision and reliability.

Governors made a request that when management are asking the Board to approve something, for reports to include details on the context of the college

and any regulations, so the board can understand the commitment of college and the risks. Management advised that the ESFA require the board to approve each years' commitment to sub-contracting. Chelmsford college has a very small contract value, and this requirement is to help ensure quality. The previous papers held the detail of these contracts. It is important for governors understanding, that each report tells the story that ties past context to future strategy.

Project Future update

The college is in a situation where it may be difficult to control costs and management are doing modelling on different %s of increases, i.e. construction consumables, energy etc. Innovation around income is a key part of Project Future, be that commercial income, rental income etc., where there is no cap on the income that can be generated. This will be important for the college's sustainability.

Other matters

The Nursery achieved an Outstanding Ofsted grade. Governors asked to congratulate all staff for their work on this.

Estates – IoT and other summer works have mostly now been completed.

Risks – the cost-of-living crisis, energy prices, consumables etc. Management are keeping a watching brief on this and the impact of the government's mini budget, as this will all impact on Project Future.

The principal thanked the board members for their involvement in the SAR grading meetings.

Governors stated:

Recruitment is a bit disappointing, as the young people demographic locally is increasing 3% a year which is about 60 students, so it is a shame not to see the growth of last year.

There are 60 in-year starts expected from the Princes Trust, Multi-skills, English & Maths etc. Health & Care students have been lost to Colchester due to their new build for this study area. For electrical students, the college couldn't recruit sufficient staff to deliver the study programme.

The key risks –what are the key steps to getting the January starts – how likely is this be met? In terms of Project Future, the college has to over recruit in September or have more January starts. Discussions are taking place this week on what this offer will be to start marketing from 10th October. Key will be understanding what the market is for these i.e. NEETs, students who have dropped out of other colleges, and the messaging will depend on the audience. There are large numbers of young people in January who are not in education,

and it comes down to the offer i.e. Multi Skill and DWP have stated they want some short courses.

When students drop out its because they don't like or have failed the course. Can we start a system prior to enrolment where potential students can preview all of the courses in detail ahead of enrolment? Some students find out more about the course when talking at enrolment than they did through the website. There has been a change of focus at recruitment, away from the course (study programme) students want to do, towards what destination is it that they want to achieve.

Management should be ambitious and creative on how the college can generate more income.

There needs to be acceptance that risks must be taken by the college and there should be an acceptance that mistakes are allowed, and the board needs to understand and be comfortable with this. It will need to understand the learnings of each risk and should more strongly engage the skills and knowledge of board members to support this innovation.

The Report was **RECEIVED**.

1587. KEY PERFORMANCE INDICATORS

Outturn for 2021/22

Headcount was noted against allocation, with recruitment and retention. 16-18 funded learners recruited well last year. Apprenticeships were slightly up. Adult lower and advanced learner loans allocation increased throughout the year. HE numbers were lower than expected but through IoT and Project Future, the college is looking at Higher level programmes.

Governors stated:

Their concern over female retention.

Female retention been an issue all year, and there is no apparent rhyme or reason to it. The only non-tangible reason is females might have struggled more coming back on campus post Covid. Retention has improved in year.

Do we carry out exit surveys for students?

The college does track reason students leave and some of the destinations are positive reasons i.e. to work, but there is not a particular trend.

It would be useful to know how many students the data refers to in the KPIs. Chairs of Committees will be asked to discuss the approach to KPI data to refresh this document to make it more meaningful.

Where is the slippage in English and Maths targets? English & Maths has achieved better but it is some way off the ambition.

It was quite hard to set the target given Covid and students being in and out of college. Some learners would choose their vocational programme over English & Maths, which is reflected in achievement as not all students turned up to their end of year exams. The college has introduced greater accountability across the staff for attendance.

This is a long-term ongoing problem, and the board needs more assurance that it is being resolved.

The strategy for English & Maths has changed, and the leader has a greater focus with more resource for this area. There will be regular meetings scrutinising fortnightly, all students' attendance, and a termly meeting is being held to ensure accountability.

How is the college adjusting what it's doing?

More active learning is taking place rather than chalk and talk, and timetable changes have been made to ensure Maths and English are sandwiched in between programme delivery. Enrichment for other learners who aren't doing English & Maths, ensures these students are now engaged in other onsite activity.

Quality and Learner Committee to carry on this discussion

KPIs for HR

Governors queried the high number of vacancies.

Staff turnover is too high at 23% and this is common due to the workforce market currently. There needs to be more workforce planning for the college to become a local provider of choice. There are 34 vacancies, which is half that of recent times. There are still hard to recruit to areas, and business support is hard as the college cannot compete with the private sector on work from home, financial offer etc.

Governors asked if the ESS figures are included in the KPIs. They are not in these figures, as the ESFA requires figures for costs of actual people on the payroll, so this needs that to be taken into account. There are about 5.2 of FTE staff in ESS that Chelmsford college accesses.

The Board resolved to approve the HR KPIs for year end 2021/22

1588. Finance Report

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

a) Management Accounts to 31 July 2022 (including KPIs)

Governors noted the new national template for management accounts.

There is a deficit of £96k, due to holiday pay for part year workers, which has to be back-dated for two years. The provision for this is £60k. To mitigate in future, the college could employ full year staff on a part-time basis. This deficit position is an improvement on June management accounts prediction of a deficit of £200k.

The total income £16.4m was on target. Predicted pay costs of £11.59m were slightly over at £11.67m

The Lloyds Bank covenants were not tested in July 2022, and the auditors are aware of and in agreement with this process.

Financial health score is 120 rather than the 150 predicted, which is a grade of Requires Improvement.

The income and expenditure variations were noted. The Nursery surplus is gift aided to the college, will be £167k.

b) Commentary on financial Accounts position and any risks prior to Price Bailey audit

The audit commenced on 13th September and final adjustments will be agreed by 13th October.

The joint venture, ESS Ltd outturn, depends on the pension position. The actuarial report is yet to be received. The 21.1% contribution may remain the same or only go up slightly if the report shows the fund is nearly or fully 100% funded, as expected.

c) Insurance Schedule for 2022/23

The schedule was noted.

d) Cash flow forecast 2022/23

The cash flow was noted and will be matched to the bank covenant proposals. The Essex County Council payment has been received early this year and the forecast will be updated.

ONS reclassification was discussed. Colleges have been operating in the private sector from 2012 following the 2011 Education Act and following the recent Skills and Post 16 Education Act, this is being reviewed. The advantages and disadvantages of this reclassification were noted. The level of

reserves that colleges can keep, are yet to be agreed. There is strong feeling that this reclassification will take place and decision is expected by 31.10.22. The details are not yet known. If colleges are reclassified into the public sector, the college will have to report to government financially at the end of March for their financial year end, in addition to the college's reporting based on the academic year.

Governors stated:

That Project Future's aim, following its set up post the FEC/ESFA intervention, was to get £2m in the bank. This is a secondary objective over and above the primary objective of the governing body to deliver education and to meet local skills needs. This need to deliver the £2m in the bank, if the position on ONS changes, may require a review.

Disappointment was expressed that there is a deficit position at year-end. It was noted that this has been the case previously and it was important to get the college to a position of surplus.

Delivery to the college's young people must be maintained and if this means using agency staff as a last resort which increases costs, the college will have to do that.

The college has achieved a £37k variation from breakeven on a £16m budget during a pandemic and cost of living crisis. This was recognised as quite an achievement.

Barbara Vohmann left the meeting.

The Report was **RECEIVED**.

1589. RISK MANAGEMENT REPORT

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

Risk Register and Dartboard

The key points were:

- There have been some SMT changes, Alison Davis – Learner Experience and Jo Styles – Director of Curriculum at Moulsham Street, as well as a new CEO about to join the college.
- Ofsted Preparation is underway for an expected imminent visit
- Inflation/Energy costs – a 5-6-fold increase is expected
- Electrical staff – difficult to recruit to meet student demand

- Staff turnover – higher than sector average
- Inflation index link doesn't apply to pensions

Governors stated:

A succinct risk register but has a lot of red risks, so a lot of work to be done on this to achieve the reductions on this in year.
Some are outside of management control – inflation, energy costs.

Will ONS reclassification change the terms of reference of governors?
Yes, but not immediately.

80% of income is fixed, and with rising costs, so the college is looking at gains it can make elsewhere, identifying what are the growth contributions, and therefore should it consider taking risks such as using agency staff to ensure the college grows?

The college has growth this year due to greater contribution from ESFA and increased learner numbers. Staffing will be looked at in the PS&R committee, but the college is unable to recruit agency staff in some areas.

The Report was **RECEIVED**.

1590. JACOP Regularity Self-Assessment Questionnaire 2021-22

Governors queried that there is no corporation response on Whistleblowing complaints.

DH to update

1591. QUALITY & LEARNERS MATTERS

Self-Assessment Report 2021/22 (draft)

Governors noted that it is still early in the academic year to get final data i.e. – destinations. The college is self-assessing as a grade 2.

Governors stated they liked the more evidence-based report this year, and noted that the final SAR will be presented to the December corporation meeting, following discussion and Q&L committee.

SAR Validation Meetings and Governor Involvement

Management thanked all governors who came in and contributed, stating it is refreshing to get an external perspective.

Governors noted:

The context for each area of contribution is greater this year which is positive, giving a better idea of what the challenges are, so understanding the direction of travel for the student journey, so there is greater focus and oversight of these areas. The 4 areas of priority were noted.

The improvements made in areas of intervention last year, with some drastic areas of improvement through intervention following FEC support, and this progress needs to be maintained.

Governors need a mid-year progress report to come to the board.

Some areas will stay in intervention such as specifics in English & Maths.

There is a new intervention area – Sport. There is an action plan with a refreshed team but will probably be graded a level 3.

Some further grades are yet to be inserted – IT & science will be a grade 1.

Personal development improvements could be more explicit. Changes made to the learner experience are quite significant and should have greater emphasis. They will go in the improvement plan as actions and the impact will be in next year's SAR.

The SAR will go to Q&L in November for discussion.

Student Exit Survey 2021/22 (8.1)

Governors queried:

- areas of concern over responses to certain questions regarding safeguarding.
- Student Gobs confirmed safeguarding processes were covered in their induction this academic year.
- if further information can be included in the student app. DG advised the plan is to trial the app and then add further information as time progresses.
- if regular surveys will be asked throughout the year. DG advised that there will be induction and student experience surveys
- 50% response is lower than hoped for.

It was noted that safeguarding work will be continued throughout the year and a revisiting of these areas will take place in progress tutorials for students. The safeguarding pastoral team has been increased in college.

It was agreed that benchmarking data would be helpful in future.

Revised Ofsted Inspection Handbook

There are changes to an enhanced inspection, with the biggest change on how colleges are engaging with contribution to regional and national skills needs and a second nominee working on the stakeholder engagement piece is now required. This will be covered more at the governor development day in October.

A Teams training session for all governors to undertake will be made available, with specific lines of enquiry to be covered.

A stakeholder group are engaged to provide feedback, and management confirmed that the college has a list of stakeholders. Governors requested this be made available to them.

FC to action

Governors requested that the new Inspection document be put on the Governors Portal, and they were encouraged to become familiar with it.

Jan Church left the meeting.

1592. GOVERNANCE MATTERS

Governor Changes (see item 1)

Previously approved.

Governors' Self-Assessment Questionnaire 2021/22 – Report (9.1)

A Governor Development Plan will be drawn up by Clerk, based on the outcome of this questionnaire and a review of new Code of Governance.

Governors requested more development on stakeholder engagement. This is likely to be picked up under an update on Local Skills Improvement Plan at the February Away Day. How governors review their college's contribution to local skills needs, will be discussed and lessons can be learnt from a review of the pilot projects.

Programme for Governors' Development Day – 14/10/22

A draft agenda is being worked up, and looks to include governor visits, cyber security, risk management, and a tour of the refurbished sports centre.

Compliance against English Colleges' Code of Good Governance 2021/22 (9.2)

Governors noted the college's compliance. Item 7.6 – group structures, was queried. It was noted that ESS didn't constitute a group structure, the college did not operate local governing boards.

Review of Confidential Papers

The advice on the review of the confidential papers was noted and accepted.

Governor Attendance 2021/22

Governor attendance was noted as being above the sector average.

Register of Members' Interests and Eligibility to Serve – annual review

All declarations have been received and will be made available to the Board.

Board & Committee Memberships from 23/9/22 (9.3)

The membership was noted, and that there are no vacancies.

Governor Champions – schedule for 2022/23 (9.4)

This will be discussed at the Away Day on the 14th.

Approve Code of Conduct for Corporation Members (9.5)

The revised Code of Conduct was approved.

1593. ANY OTHER BUSINESS

The Chair recommended that governors should return to face-to-face meetings for the main board meetings, as it allows for better discussion. Chairs of sub-committees are to decide the format of those meetings.

Three governors stated that they would prefer for hybrid meetings to remain in place for all meetings.

1594. DATES OF NEXT MEETINGS

Date of Next Meetings

- Friday 14 October 2022 (Development Day) – Moulsham Street
- Friday 9 December 2022 at 2.00 pm
- Friday 3 February 2023 (Development Day) – Princes Road (includes opening of New Construction Centre)

- Friday 24 March 2023 at 2.00 pm.
- Thursday 6 July 2023 at 2.00 pm

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

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