

Minutes of the Corporation Meeting Held virtually at 4pm on 08 December 2020

Present: Prue Amner, Claire Attika (staff governor), Stephen Burke, Max Craft, Ashley Cullen, Lena Itangata, Tim Jackson, Tim Mason, Rob Nitsch, Mark Pembleton, Paul Quigley and Penny Wycherley (Interim Principal).

Apologies: Vanessa Cooter (staff governor), Robin Dickens and Callum Farminer (student governor)

In Attendance: Denise Cheng-Carter Interim Chief Finance Officer
Pat Denham Interim VP Learning & Quality
Paola Schweitzer Clerk to the Corporation
Fiona Wilmott ESFA

Minutes

1 – Standing Items

3052 Attendance and Participation

Vanessa, Callum and Robin sent their apologies.

3053 Declarations of Interest

Tim J was involved in writing the EM3 Institute of Technology (IoT) bid (IoT was a competitive bidding process and the College was involved in the Solent IoT). There were no other declarations of interest.

3054 Minutes

A minor amendment was proposed clarifying the staff honorarium arrangements at Sparsholt College (Minute 3033) and, with this amendment, the Minutes and Confidential Minutes of the Meeting held on 06 October 2020 were **Agreed** as a correct record. The Confidential Minutes of the Special Corporation Meetings held on 19 October 2020, 09 November 2020 and 23 November 2020 were also **Agreed** as correct records.

3055 Matters Arising

Minute 3033, 06 October 2020: Staff Honorarium Payment: Penny noted that it hadn't yet been appropriate to make an award to staff who were ineligible for the

honorarium as many weren't in College due to Covid-19. Other matters arising would be covered during the meeting.

3056 Chair's Report

FEC had recently appointed Simon Perryman, Chair at Barnsley College, as National Leader of Governance (NLG) to assist with the appointment of the shadow board and Paul would meet with him shortly. Penny had discussed curriculum planning and the estate with Simon Barrable (Portsmouth College principal) and they would meet again the following week. Financial reviews of both colleges were underway. Penny noted it was common practice for merging colleges to use the same accountancy firm to undertake due diligence. There was a brief discussion about the three draft documents circulated earlier to governors from Paul: Heads of Terms setting out the common aims of the merger, Non-Disclosure Agreement and timeline. Paul had drawn them up based on his merger/acquisitions experience and would be guided by Simon Perryman. Governors **Agreed** the draft documents and that they form the basis of discussions with Portsmouth College.

3057 Interim Principal's Report (paper 2756/20/C)

Part of Minute 3057 was confidential.

Penny presented her principal's report summarising the significant change within the College since 06 October 2020.

The balanced scorecard showed key data as at November 2020 including funding, cash days in hand, expenditure, attendance, achievement, retention and staffing. It was the first month the scorecard had been produced and some data was not yet available. Penny noted that many of the College's students came from the bottom five bands of deprivation and their attainment was 3% lower than other cohorts. Covid-19 was having a negative impact on deprived communities and the College was working to identify what further support could be provided to these students.

The report also covered education and training, apprenticeships rates, recruitment and enrolment, curriculum developments, the interim Ofsted visit on 13 October 2020, the FEC stocktake visit on 20 November 2020, the operational plan and Covid-19. Governors noted the section on staff morale, communications and actions, welcoming the '*you said, we did*' section and congratulating Penny on improving staff morale. In response to a question, Penny noted that the response in the local press to the potential merger announcement had been what she would expect for a city like Portsmouth. By and large the merger announcement had not been a surprise to staff. Teachers were not largely worried as there was not a great deal of overlap between the two colleges' curricula, however some support staff and managers were concerned. There was a brief discussion about feedback from the staff focus group that '*there are not enough staff in IT to deal with all the issues.*'

Penny stated that this issue was discussed at COBR with Stuart in his new role as Director of Operations and that IT would be a regular item at SMT meetings. A telephone helpline would now be available at certain times during the week as well as the usual online service. Tim J asked if the IT team was understaffed and Penny noted that there were insufficient funds in the operational budget to provide additional staff resources but in any case, additional staff would not make a difference to the reliability of IT within the College. There was a brief discussion about the Solent IoT, with Penny stating that the College was involved in, but not yet committed to, a bid for maritime and advanced manufacturing technologies.

Governors **Noted** the Principal's Report.

3058 Management Accounts 2020/21 (paper 2758/20/C)

Denise presented the management accounts 2020/21 noting that they had been discussed by Finance & Estates Committee on 24 November 2020. The College had made a reasonable start to the year, with an operating deficit of £403k against a forecast deficit of £376k although not all the favourable variances would translate into full year savings.

Income to the first quarter of the 2020/21 year was forecast to be £4,212k but, given the market uncertainty due to Covid-19, had fallen short by £44k for the three months to October 2020. Pay was currently under YTD forecast by £90k. Some of this favourable variance related to phasing as provision had been made for a 1% pay award from February 2021 (subject to Corporation approval). The phasing of the forecast had created the appearance of an underspend as it had been smoothed across the full 12-month period. This was creating an approximate variance of £25k YTD. Non-pay expenditure was slightly over the YTD forecast at £1,749k, some £73k above the planned expenditure of £1,675k by the end of the first quarter. Cash and short-term investments at the end of October were £5,873k, equating to 79 cash days against forecast cash days of 30.

Paul noted that approximately £500k had been spent in relation to Covid-19 and asked how this was being met. Denise stated that these additional expenses were being monitored closely, with the majority paid from capital and estates budgets. The College had submitted a bill for Covid-19 related expenditure to the ESFA but had not had a response. Fiona did not believe the College would be eligible to apply for additional funding to support this expenditure as DfE had decided funding would only be available to colleges in financial distress. There was a brief discussion about how the College could lobby local MPs for best effect to secure additional funding. Rob believed the Association of Colleges was best placed to lobby on securing funding to support Covid-19 expenditure and that local MPs could be most effectively used to lobby for financial assistance towards merger costs. Fiona did not believe merger funding would be available however an announcement on capital funding would be made in the new year. Penny would shortly write to local MPs to

lobby for additional funding to cover in-year growth and Tim J believed this to be a sensible approach.

Denise stated that she had met with Steve Campion, appointed by FEC to support the financial review of Highbury and Portsmouth colleges' and the creation of a merged financial plan to 2023/24. Work was underway but at present there was no timeframe.

3059 Self-Assessment Report (paper 2759/20/C)

Pat presented the College's self-assessment report (SAR), including draft grades, noting that it had been discussed by Learning & Quality Committee on 18 November 2020.

Leaders and managers had undertaken a rigorous and robust self-assessment process of all areas of the College against Ofsted's Further Education and Skills Inspection Handbook. The process was supported by internal and external validation including members of the Learning & Quality Committee and provided a deep dive understanding of what it was like to be a learner at the College. The College had self-assessed as *good* in all areas (overall effectiveness, quality of education, education programmes for young people, adult learning programmes, high needs, behaviour and attitudes, personal development and leadership & management) with the exception of apprenticeships which was *requires improvement*. There would be some tweaks to the data and the finalised SAR would be submitted to the ESFA by the end of January 2021. Themes and common threads from the SAR were consolidated to further inform the Quality Improvement Plan which would be closely monitored to ensure improvements were achieved within the agreed timescales.

Tim J noted that Learning & Quality Committee had discussed apprentices at length and were satisfied that action was in hand. He noted the legacy issues which would be felt into the 2020/21 academic year. Pat agreed stating that in addition changing standards and furlough arrangements were presenting challenges but monitoring was now done within the College's quality framework meaning issues were identified and action agreed at an earlier stage. Tim M (Learning & Quality Committee chair) thanked staff for their hard work, noted the rigorous self-assessment process and commended the report to Corporation. Governors **Noted** the draft Self-Assessment Report and **Approved** the provisional grades.

3060 Quality Improvement Policy & Improvement Strategy (paper 2760/20/C)

Pat presented the Quality Improvement Policy and Improvement Strategy setting out the principles by which the College would deliver high quality provision.

The strategy established the processes for the implementation of the policy to enable the College to achieve its purpose. It relied on effective and highly motivated staff providing a high-quality learning experience for all learners and this would be

achieved through an agreed quality timetable indicating specific actions required of all course leaders. The policy and strategy had been updated to reflect new College structures and processes and would be reviewed annually. Learning & Quality Committee would receive a termly report on progress through the Vice-Principal's Learning & Quality Monitoring Report.

The strategy was focused at programme level with staff, supported by various measures, responsible and accountable for making improvement in their areas. Service Level Agreements were being reviewed to ensure they were fit for purpose. Prue believed the policy and strategy were clear, comprehensive and well-designed and, if followed, would lead to improvement. She hoped the merged college would follow this approach. Governors **Agreed** the Quality Improvement Policy and Improvement Strategy.

3061 Risk Register (paper 2761/20/C)

Penny presented the risk register, noting that following discussion at its meeting on 25 November 2020 Audit Committee recommended it to Corporation for approval.

The register had been revised in line with the College's key strategic objectives and the Structure & Prospects Appraisal (SPA). 2019/20 actions had been noted and, where appropriate, transferred to 2020/21. Two risks had been combined and two new risks added (potential merger and apprenticeships). Penny anticipated that potential merger risks would ultimately form a risk register for the shadow board. In response to a question, Penny stated that the College had a Covid-19 risk register, supported by a comprehensive and robust risk assessment process and processes which were updated regularly in line with government guidance. The register was initially reviewed by the informal College re-opening group (comprising Committee chairs) and was now well established. Governors believed the risks associated with Covid-19 were being well managed and **Agreed** that Learning & Quality Committee would consider the Covid-19 risk register at its next meeting. Governors **Agreed** the revised risk register, noting the new risks, links to the key strategic objectives and revisions for 2020/21.

3062 Corporation & Committee Membership (paper 2762/20/C)

Paola presented Corporation and Committee membership recommendations from Search & Governance Committee's meeting on 17 November 2020.

Governors **Agreed** that whilst there were three vacancies for independent governors, no further recruitment would take place for the foreseeable future due to the proposed merger. Governors also **Agreed** that, in view of his legal expertise, Max's term as governor be extended until 31 August 2021.

Corporation discussed Committee membership and Paul noted that the changes had been agreed with the individuals concerned. Governors **Agreed** the following:

- Learning & Quality: Prue to join and Tim M to chair
- Search & Governance: Paul to chair (in line with Committee Terms of Reference)
- Finance & Estates: Claire to join
- Remuneration: Paul to join (in line with proposed change to Committee Terms of Reference).

3063 Review of Standing Orders, Terms of Reference & Meeting Schedule (paper 2763/20/C)

Paola presented the annual review of Standing Order, Committee Terms of Reference and Corporation/Committee meeting schedule for 2021. At its meeting on 17 November 2020 Search & Governance Committee made a series of recommendations to Corporation to ensure governance documentation was fit for purpose.

With regards to Standing Orders, Corporation acknowledged that whilst it had adopted a traditional FE governance structure, the number of meetings had not been reduced. Corporation therefore **Agreed** that Corporation meet four times a year. In addition, it was **Agreed** that the Vice-Chair of Corporation be empowered to agree a Chair's Action in the event that the Chair was incapacitated.

Committees had considered their Terms of Reference and recommended a number of amendments. Governors discussed the amendments and **Agreed**:

- Finance & Estates and Learning & Quality Committees meet four times a year
- Audit Committee: To consider Register of Interests
- Finance & Estates Committee: To consider HR/staffing issues
- Learning & Quality Committee: Learner voice strengthened
- Remuneration Committee: Membership to include the Chair of Corporation.

The Corporation/Committee meeting schedule and 2021 Corporation business plan, revised in line with the amendments above, were **Agreed**. There was a brief discussion about changing the Finance & Estates Committee's name to Resources Committee to better reflect its responsibilities and it was agreed that this might be reviewed at a later date in the light of the possible merger, along with other governance documentation.

3064 Committee minutes (for information)

Remuneration Committee, 26 October 2020: See Minute 3069.

Search & Governance Committee, 26 October and 17 November 2020: Noted.

Learning & Quality Committee, 17 November 2020: Pat updated governors on the College's developing partnership with the University of Portsmouth, noting that they were involved in the College's HE strategy group and that there would be termly meetings.

Finance & Estates Committee, 18 November 2020: Paul gave a brief update of the key issues discussed concerning the College estate:

- The Tower refurbishment was due to finish ahead of schedule in January. Contingency funding had been requested for the renewal of the fire alarm system. Investigations were underway to explore use of the 1st floor for high need students. This had the backing of Portsmouth City Council and Hampshire County Council.
- The subtenant arrangements at Northharbour had been terminated
- It was anticipated the Birmingham premises would be sublet from March 2021
- The number of possible contractors to upgrade the College's IT system had been whittled down to two. Due to the level of funding, Board approval would be required. The College was trying to ensure compatibility with Portsmouth College. Rob believed that, given IT costs, compatibility with Portsmouth College was imperative and should be prioritised. Penny agreed, stating that if one of the contractors was compatible and the other not, the former would be chosen. She noted however that IT was currently the College's biggest risk, that the merger was uncertain and funding needed to be spent by 31 March 2021.
- Discussions were underway with Portsmouth College to ascertain their space requirements. They had put their planning application on hold.
- Penny stated that a number of options were emerging under the campus plan and that two architectural firms would be interviewed shortly. The College had drafted a priority list for support under the next tranche of government funding.

Audit Committee, 25 November 2020: Noted.

3065 Audit Committee Annual Report to Corporation

This item was deferred to 26 January 2021 (see Minute 3066).

3066 Financial Statements 2019/20

The financial statements 2019/20 would be considered at the joint Audit Committee and Finance & Estates Committee meeting on 12 January 2021 and then brought to Corporation on 26 January 2021. The deadline for their submission to the ESFA was now 31 January 2021 in recognition of the challenges being experienced across the sector due to Covid-19. Denise noted that there were two outstanding issues: fixed assets and the College's going concern in the light of the proposed merger and that the College would seek to work with Portsmouth College on the latter. In response to a query by Mark, Denise confirmed that Mazars had the capacity to meet the new timeline.

3067 Strategic Internal & Annual Internal Audit Plans

Denise presented paper 2766/20/C setting out the strategic internal and annual internal audit plans, as recommended by Audit Committee.

Based on an annual organisational assessment, discussions with the College and consideration of emerging risks, it was proposed that the following audit areas were covered over a period of 38 days in 2020/21: impact of Covid-19, subcontracting controls assurance, apprenticeships, additional learning support, financial planning, budget support and forecasting, financial reporting and cashflow management and follow up. Denise stressed that the plan could flexed if necessary, for example in the light of the merger. Governors **Agreed** the strategic internal and annual internal audit plans.

3068 Safeguarding Adults & Children & Young People Policy

Pat presented paper 2767/20/C setting out the updated Safeguarding Adults & Children & Young People Policy, noting that it had been discussed by Learning & Quality Committee on 18 November 2020 and was recommended to Corporation for approval.

The policy had been updated in response to guidance changes issued by government in September 2020. In response to a question, Pat stated the updated guidance had highlighted the importance of internet safety and supporting mental health but did not have any Covid-19 specific recommendations. Tim J noted that Learning & Quality Committee had discussed the impact of Covid-19 on mental health at its recent meeting. Prue asked if the policy covered the independent living arrangements currently being investigated or whether the policy would need to be extended further. Pat confirmed that it would need to be amended to include this facility if/when necessary. Governors **Agreed** the updated Safeguarding Adults & Children & Young People Policy.

Paul stated that Fiona would no longer be an observer on the Board as a matter of course, on the basis that the Board and College had progressed significantly. He thanked her on behalf of the Board and the College for her support and contributions. Fiona stated that the Board had transformed since her involvement, focusing on the real needs of students and working effectively through Penny and her team. She thanked all governors and paid particular tribute to Tim M who had worked so hard as Chair at a particularly difficult time. Whilst the College remained in supervised status, Fiona would continue to receive the agenda, papers and minutes, but would only attend meetings if pertinent to the agenda. She would however, attend meetings of the shadow board.

Paola left the meeting.

Minute 3069 was confidential

Paola rejoined the meeting

3070 Meeting without Staff & Students present

The Confidential Minutes of the Meeting without staff/students present held on 06 October 2020 were **Agreed** as a correct record. Governors did not have any points to raise.

Evaluation of Meeting

All seven governors felt the agenda and papers were clearly written. All believed the objectives of the paper were clear, the right length, contained the relevant detail and provided assurance. They were assured that risks were being actively reviewed and managed. All believed there was sufficient time available for debate and time was well spent. All but one governor believed everyone had a voice. All believed governors held management to account and that management responses to questions were clear and sufficient. All were satisfied that decisions were sound and that there was a clear line of sight through to the student experience. All believed the meeting was chaired effectively. Three governors commented on the IT and their ability to access and take part in the meeting:

- Governor 1: *It is a very good now I have a better log in to Teams, thanks to the IT Dep.*
- Governor 2: *IT works well. However it is a shame that MS Teams does not show everyone's face all the time like other similar platforms.*
- Governor 3: *Good experience on Teams so far!*

Three governors added comments on what might help to enhance the Boards' performance:

- Governor 1: *Perhaps we need to make sure the Student has an opportunity to speak, very difficult to but in (sic) and also maybe a need to welcome new people to the Board*
- Governor 2: *Performance of the board would be better if we could all [see] everyone all the time.*
- Governor 4: *I find the papers to be extremely valuable. I like the consistent format. I pay particular attention to the Principal's report as I find that very open, honest and engaging. I am new to this Corporation but am hugely impressed by the leadership and the work of the clerk to make the information accurate and timely.*

The meeting ended at 6pm.