



PART OF
**CITY OF
PORTSMOUTH
COLLEGE**

Minutes of the Virtual Corporation Meeting Held at 5pm on 07 December 2021

Present: Shahalam Ali, Prue Amner, Lily Camacho (student governor), Bernie Collins, Ashley Cullen, Katie Hill (staff governor), Adele Hodgson, Tim Jackson, Samantha Miller (staff governor), Graham Morley (interim CEO), Rob Nitsch, Kit Peet (student governor), Mark Pembleton, Paul Quigley & Paul Walton.

Apologies: Jafor Ahmed, Mark Cooper, Tim Mason, Jeanette Smith & Mike Stoneham

In Attendance: Simon Barrable Principal
Denise Cheng-Carter Interim CFO
Paola Schweitzer Director of Governance

Minutes

Prior to the meeting, a number of governors attended a presentation by Baxter & Bailey who were responsible for designing the City of Portsmouth College's branding. They summarised their findings following workshops with staff, students and local employers, namely the identification of vision, values, mission, offer and positioning to create a draft brand blueprint to inform all future College communication. It was anticipated that the design stage would be concluded and visual identify approved in January 2022, with the guidelines and toolkit delivered in January/February 2022. The presentation was circulated to governors after the meeting, with comments to be sent to Liz Cruz by 14 December 2021.

1 – Standing Items

040 Attendance and Participation

The Chair welcomed Kit Peet, student governor (former Portsmouth College) and Lily Camacho, Student Union President and student governor (former Highbury College) to the meeting. Governors **Agreed** that

- Kit and Tim Jackson join Learning & Quality Committee
- Lily join Finance & Resources Committee.

Jafor Ahmed, Mark Cooper, Tim Mason, Jeanette Smith and Mike Stoneham sent their apologies.

041 Declarations of Interest

There were no declarations of interest.

042 Matters for Decision

The minutes and confidential minutes from the meeting held on 05 October 2021 were **Agreed** as correct records.

043 **Matters Arising**

Minute 0028: City of Portsmouth College: Minute 0010: The College was in the final stages of securing the £1m overdraft facility with Barclays Bank. It would be in place by 01 January 2022.

Confidential Minute 0034: Connecting Futures DfE Transformation Fund Bid: The outcome of the stage 2 bidding round was awaited. Graham had had positive discussions with the Solent LEP's CEO.

044 **Chair's Report**

Paul thanked Jafor and Tim for their service, noting they would stand down from Corporation on 31 December 2021. He would shortly send out background information in preparation for the strategic planning session on 15 January 2022.

045 **Interim CEO's Report including Balanced Scorecard & Risk Register**

Graham presented paper 0082/21/C summarising activity at the College since the last meeting including the headline risk register, recruitment and enrolment for 2021/22, Covid-19, staff morale and well-being and apprenticeships.

Graham drew governors' attention to the balanced scorecard which was a tool for governors to maintain oversight of College performance and would also, in time, be used at operational level for target setting. The College was currently ± 72 learners below its allocation although there was a reasonable expectation that it would make up this shortfall given there were 50 learners in the pipeline. This would not affect funding in 2021/22 but would impact the following year due to lagged funding. One governor expressed concern and asked what had changed, noting that figures at the previous meeting indicated that the Highbury Campus had an increase of 121 learners and the Tangier Road Campus a decrease of 3 from the previous year. Graham responded that it was not possible to ascertain the exact picture at present as it had not been possible to amalgamate up to date data from the two existing MIS systems, however he had asked the Senior Management Team (SMT) to contact all potential learners to try and re-engage them with the College.

The Risk Register format has been amended to increase clarity. The format and risks had been reviewed and updated prior to consideration at the joint Audit Committee and Finance & Resources Committee meeting the previous week. Graham noted that Maria Vetrone, the permanent CFO starting on 14 December 2021 would lead on risk management within the College. This was usual within the FE sector and would support continuity with the appointment of the permanent principal/CEO.

Governors discussed the results of the recent staff survey where only 46% of respondents felt that communication was good within the College. Graham didn't believe this view differed dramatically between College sites. Another governor asked if the 29% response rate was unusually low (the previous survey had a response rate of 35%). All agreed a higher response rate was important to inform future activity. One of the staff governors suggested that the response rate was low due to the multiple-choice format of the survey and some free text responses might

encourage more to respond. Another governor suggested the survey be followed up with interviews, to build confidence with staff and draw in additional respondents.

Governors **Noted** the CEO's Report in particular student enrolment for 2021/22 and progress with the balanced scorecard.

046 Highbury College Audit Committee Annual Report to Corporation

The former Highbury College Audit Committee Chair, Mark Pembleton, presented paper 0083/21/C summarising the Committee's activities in 2020/21.

The report included a view of the Committee's own effectiveness and how it fulfilled its Terms of Reference, its opinion on the adequacy and effectiveness of the College's audit arrangements, the framework of governance, risk management and control and processes for securing economy, efficiency and effectiveness. The report concluded that, based on the Committee's work and reports received over the year, the Corporation's assurance arrangements, framework of governance, risk management and control procedures for the effective and efficient use of resources, solvency and the safeguarding of assets were adequate and effective.

Mark noted that the Committee had had a busy year which had, in addition to the three scheduled meetings, included a joint meeting with Finance & Resources Committee to consider the 2020/21 financial statements. He drew governors' attention to Southern Internal Audit Partnership's (SIAP) internal audit report which concluded that *'Highbury College's framework of governance, risk management and control has continued to improve since January 2020 and where we have carried out audit testing, this has demonstrated controls to be generally working in practice. However, our work has been based on a limited plan due to the significant changes taking place; and on work undertaken by the Interim Leadership Team. Whilst evidence shows that reasonable assurance can be placed on the governance, risk management and control framework now in place, future assurance work will be needed to confirm that this is effectively sustained in the longer term and that appropriate frameworks are fully embedded across the newly merged organisation.'*

One governor noted the amount of work carried out during the year and commended Committee members and the executive team on the report. Governors **Noted** the Highbury College Audit Committee Annual Report to Corporation.

The Chair of Audit outlined the Committee's discussions concerning internal audit in 2021/22, noting that SIAP would no longer offer internal audit services to the FE sector. Two organisations had been asked to provide proposals for undertaking internal audit for the College in 2021/22. Audit Committee had considered these proposals and agreed to recommend that Scrutton Bland LLP be contracted. The College would re-tender for internal audit services from 2022/23. One governor noted that Scrutton Bland was not local and sought reassurance concerning their funding controls and how they would carry out their work. Denise stated that Scrutton Bland were experienced in FE and, due to ongoing Covid restrictions, most of their work would be undertaken remotely. Governors **Agreed** that Scrutton Bland LLP provide internal audit services to the City of Portsmouth College in 2021/22.

The Audit Chair then outlined the Committee's discussions concerning external audit arrangements in 2021/22, noting that Highbury and Portsmouth Colleges' external auditors had been asked to provide proposals for undertaking external audit services to the College in 2021/22. The College would re-tender for external audit services from 2022/23. Mazars had put forward a proposal. RSM had declined the opportunity but stated their volition to tender for the College on a longer term basis. Audit Committee had considered Mazar's proposal and agreed to recommend that they be contracted for the current year. Governors **Agreed** that Mazars provide external audit services to the City of Portsmouth College for 2020/21.

047 **Portsmouth College Audit Committee Annual Report to Corporation**

The former Portsmouth College Audit Committee Chair, Shahalam Ali, presented paper 0084/21/C summarising the Committee's activities in 2020/21. Governors noted that the Portsmouth College Clerk had drafted the report prior to merger.

The Committee's annual report summarised its activities from 01 August 2020 to 31 July 2021 and included a view of its own effectiveness and how it has fulfilled its Terms of Reference and its opinion on the adequacy and effectiveness of the College's audit arrangements, its framework of governance, risk management and control and its processes for securing economy, efficiency and effectiveness. The report concluded that, based on the Committee's work and reports received over the year, the Corporation's assurance arrangements, framework of governance, risk management and control procedures for the effective and efficient use of resources, solvency and the safeguarding of assets are adequate and effective. The draft report had been considered by Audit Committee on 30 November 2021 where it was agreed to recommend it to Corporation.

Governors **Noted** the Portsmouth College Audit Committee Annual Report to Corporation.

048 **Highbury College Financial Statements 2020/21 including Financial Support to Subsidiaries**

Denise presented paper 0085/21/C setting out Highbury College's Financial Statements 2020/21 including financial support to subsidiaries. The statements had had been presented by Mazars to Corporation at the recent joint Audit Committee and Finance & Resources Committee meeting to which all governors had been invited, and were recommended to the Corporation for approval.

Denise drew governors' attention to the key points:

- As the continuing legal entity (to which Portsmouth College had transferred its assets and liabilities prior to dissolving), the Board was required to consider the **going concern** status of Highbury College ie that the College would continue in operational existence for the foreseeable future and that there was no intention or requirement to cease its operations.
- **Regularity findings:** The financial statements auditors had not identified any material findings from their work and as a result, they would issue an unqualified regularity opinion within the financial statements.
- Key **financial performance data** included:

- The Group made a deficit of £2,215k (2019/20: Deficit £23k) net of FRS102 pension benefits adjustments of £1,311k. The deficit for the College was £8k (2019/20 deficit: £1,841k).
- Cash balances at the year-end increased to £3,609k (2019/20: £1,549k).
- The balance sheet showed net current assets of £1,903k (2019/20: £4,580k net current liabilities).
- The Net Pensions liability of the Local Government Pension Scheme (LGPS) had decreased to £20,482k (2019/20: £25,519k).

Financial statements for the College's subsidiaries: Highbury College Commercial Services, Highbury Apprenticeships Birmingham Ltd and New Work Training Ltd were appended to the report, alongside letters of support from Highbury College.

Governors **Agreed** Highbury College's Financial Statements 2020/21, including the letters confirming financial support to subsidiaries. Denise confirmed that the financial statements would be uploaded to the ESFA portal by 31 December 2021.

049 **Portsmouth College Financial Statements 2020/21**

Denise presented paper 0086/21/C setting out Portsmouth College's Financial Statements 2020/21. The statements had had been presented by RSM to Corporation at the recent joint Audit Committee and Finance & Resources Committee meeting to which all governors had been invited, and were recommended to the Corporation for approval.

Denise drew governors' attention to the key points in the statements:

- The statements had not been prepared on a **going concern** basis, given that Portsmouth College had ceased to legally exist from 01 August 2021.
- **Regularity findings:** The financial statements auditors had not identified any material findings from their work and as a result, they would issue an unqualified regularity opinion within the financial statements. Denise highlighted the Statement of Regularity, Propriety and Compliance, Financial Statements concerning an irregularity in 2020/21 relating to Soccer Scholar Academy. Appropriate steps had been taken to mitigate any further risks and to ensure compliance with ESFA funding regulations by 31 December 2021. As required the matter had been disclosed to the ESFA who had confirmed that no clawback would be applied. The irregularity was not material.
- **Key financial performance data** included:
 - Portsmouth College made a small surplus of £34k, a deficit of (£25k) before the release of the revaluation reserve (2019/20: Deficit (£1,755k)) net of FRS102 pension benefits adjustments. The prior year's deficit was due to the FRS 102 (pension) adjustment.
 - Cash balances at the year-end increased to £1,265k (2019/20: £1,032k).
 - The balance sheet shows net current assets of £482k (2019/20: £818k).
 - The Net Pensions liability of the LGPS has decreased to £4,682k (2019/20: £4,858k).

Denise noted that it was a clean audit, with no issues arising. There were a few recommendations which would be picked up by the merged College.

One governor complemented Denise, Jo Wheeler (Finance Director) and their teams on the clean audit during a busy year and suggested that Paul Q write to them. The same governor noted that the importance of a clean audit, given that Portsmouth College had transferred its assets and liabilities to Highbury College prior to merger. Governors **Agreed** Portsmouth College's Financial Statements 2020/21. Denise confirmed that they would be uploaded to the ESFA portal by 31 December 2021.

050 Management Accounts 2020/21

Denise presented paper 0087/21/C setting out the period 3 management accounts.

The College had made a positive start to the year and continued to operate above the forecast budget profile with an operating surplus of £107k against a budget surplus of £84k. There were some income streams with a negative variance, including apprenticeships and mitigating action was being undertaken including the setting up an End Point Assessment (EPA) centre to enable apprentices to be assessed in a timely way. Rob suggested the College liaise with PETA who were experiencing similar challenges with a view to working collaboratively. Denise noted that the forecast recovery would need careful monitoring and the accounts would be reforecast at period 6 accordingly. There was a shortfall in 16-18 learner numbers. In response to a question seeking further details on mitigating actions, Denise stated that SMT had drafted an action plan identifying actions such as contacting all learners that had withdrawn since September to see if they would like to return to the College in January and looking at programmes specifically designed for NEETs (Not in Education, Employment and Training). One governor asked about the College's gas and electricity contracts in view of increases in prices. Denise confirmed that the College was on a variable contract and intended to go out to tender, possibly as part of a consortium. Work was also underway to control costs by reducing usage.

Governors **Noted** the City of Portsmouth College P3 Management Accounts.

Paul Q noted that it was Denise's last Corporation meeting and thanked her for her hard work over the past months.

051 Estates Update (extract)

Graham presented paper 0087/21/C providing an estates update on the College's three capital funding bids.

T Level Capital Fund 2021/22: Health & Science T levels would start in September 2022. The DfE would provide 65% of project costs to create a new science lab at the Tangier Road Campus and a model ward and classrooms at the Highbury Campus. There was additional funding for specialist equipment. Planning consent for the change of use of the Tower would be submitted in December.

Post 16 Capacity Fund 2021/22: A DfE grant of up to £1,300,520 (90% of project costs) had been secured to build seven new classrooms at the Tangier Road Campus. Conditional planning approval was granted in September 2021. Changes in scope to

reflect the merged College's space needs had been discussed at Estates Committee and were submitted in November 2021.

DfE Transformation Fund (Connecting Futures): See confidential minutes.

Governors **Agreed** the proposed amendments to the College's capital funding bids.

052 Self-Assessment Report, Quality Strategy & Quality Improvement Plan

Simon presented paper 0089/21/C providing an update on the College's Self-Assessment Report (SAR), Quality Strategy and Quality Improvement Plan (QIP). The SAR and QIP had been discussed at the recent Learning & Quality Committee.

The SAR assessed Highbury and Portsmouth Colleges' core provision of young people, adults, apprentices and high needs against the last set of reliable National Achievement Rates. It provided a detailed commentary on lessons learnt from Covid, impact of actions undertaken following the 2019/20 SAR, key strengths and areas for improvement and further development against the areas identified in the EIF of Overall Effectiveness, Quality of Education, Behaviour and Attitudes, Personal Development and Leadership and Management. The College had self-assessed as *Requires Improvement*. Following validation by colleagues and governors the SAR identified the 2020/21 curriculum grades and these were supported by a slide showing the three-year trend. The SAR's areas for improvement formed the basis of the QIP which set out actions and targets so progress could be monitored.

The Chair of Learning & Quality Committee, Prue Amner, thanked Simon for his presentation and asked if further work on the SAR and QIP would be carried out prior to submission to the ESFA by the end of January. Graham proposed that Corporation approve the SAR in its current iteration as he didn't believe further changes would impact on the quality of provision for learners. Instead, he would prefer staff to focus on the actions and targets identified in the QIP. It was proposed that Learning & Quality Committee would monitor the detailed QIP with headline information brought to Corporation through the Balanced Scorecard.

One governor asked when *Requires Improvement* curriculum areas were likely to improve and how this would be achieved. Simon stated that each of the eleven *Requires Improvement* areas had their own QIP and targets and he believed seven of them had a reasonable chance of achieving *Good* by the end of 2021/22, with the remaining taking longer to improve. Prue was encouraged that all curriculum areas had detailed QIPs as they were the only driver for improvement within the College. Prue noted that five or six governors had attended the validation panel meetings. She invited governors to join next year as their input was helpful and it was a good way to get to know the College. Simon agreed, noting that the perspective governors brought was invaluable.

Governors **Agreed** the SAR and grades and **Noted** the QIP, delegating approval to Paul Q, Prue and Tim to agree any further changes.

053 HE Strategy

Simon presented paper 0090/21/C updating governors on higher education (HE) developments, particularly partnership working with the University of Portsmouth.

The College had a small number of continuing HE learners for a further year. The College's strategy centred on its partnership with the University of Portsmouth (UoP), growing more pathways onto the UoP's degree programmes, looking at degree apprenticeship routes from Higher Apprenticeship provision and expanding Access to HE provision with direct access to UoP entry. A Heads of Terms agreement had been signed by the College and an HE partnership group met regularly.

One governor expressed support for this direction of travel but noted that some FE colleges saw HE as a lucrative aspect of their provision and asked if this was something the College needed to reconsider. Denise stated that HE made a loss at Highbury College for several years and that quality was an issue, hence the decision to partner with the UoP. Another governor noted the surprising amount of T Level students applying through the UCAS system thereby underlining the importance of thinking about the vocational offer, not just the academic/knowledge-based route.

Governors **Noted** the HE Strategy Report.

- 054 Committee Meeting Minutes & Notes for information**
Finance & Resources Minutes & Confidential Minutes, 04 October 2021: Noted
Finance & Resources Minutes, 26 October 2021: Noted
Search & Governance Committee Minutes, 08 November 2021: Noted. The Committee proposed changes to ensure Committees' Terms of Reference (ToR) were powerhouses for growth and development rather than auditing. In addition, it was proposed that Estates Committee champion sustainability (with other Committees picking up aspects pertinent to their remit), S&G champion equality, diversity and inclusion and L&Q champion learner voice. Revised ToR would be considered by each Committee in the spring term. Governor succession planning would be the focus for activity in early 2022 as well as the Committee's role in governor attendance. A slide would be presented at the next meeting outlining these changes.
Search & Governance Committee Minutes, 29 November 2021: Noted
Learning & Quality Committee Minutes, 10 November 2021: Noted. The Committee Chair, Prue Amner, referred to the curriculum strategy noting that its aim was to develop responsive and good quality provision on an estate that was fit for purpose. It was a Board document and would need updating in the light of the strategy meeting on 15 January 2022. It was **Agreed** that Paola would circulate the curriculum strategy following the meeting and that it would be discussed on 15 March 2022.
Learning & Quality Committee Notes, 24 November 2021: Noted
Estates Committee Minutes, 17 November 2021: Noted
Confirmation of Written Resolution, 29 November 2021: Noted
Joint Audit Committee and Finance & Resources Committee Minutes, 30 November 2021: Noted
Audit Committee Minutes, 30 November 2021: Noted

The meeting ended at 7.22pm

A Special Corporation Meeting will be held on 16 December 2021 to consider the outcome of the principal/CEO recruitment process.