



**MINUTES OF THE CORPORATION MEETING HELD ON 25 FEBRUARY 2020  
AT 5.00 PM IN C302 AT THE ROUNDHOUSE**

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**MINUTES OF THE CORPORATION MEETING HELD ON MONDAY 25 FEBRUARY 2020 AT 5.00 PM IN C302 AT THE ROUNDHOUSE**

Present: Janet Morgan (Chair), Alan Brady, Sue Bradley, Hazel Clint, Phil Dover, Stuart Ellis, Mike Kapur, Martyn Marples, Graham Schuhmacher, Mandie Stravino

In attendance: Aaron Denton (Minute number 32/19-20 only) Richard Eaton, April Hayhurst, Kate Martin, Heather Simcox, Pam Stanley (Minute number 31/19-20 only), Rose Matthews (Clerk)

**PART ONE - GENERAL MINUTES**

**46/19-20 APOLOGIES FOR ABSENCE**

Apologies for absence were received and accepted from Sue Bradley, John Clay, Andrew Cochrane, Kevin Slack, Sagar Johnson.

**47/19-20 DECLARATIONS OF INTEREST, CONFIRMATION OF ELIGIBILITY AND QUORUM**

All members were eligible and the meeting was quorate and there were no new declarations.

**48/19-20 MINUTES OF THE PREVIOUS MEETING**

**Approved: The minutes of the meeting held on 16 December 2019 were formally approved and signed as a true and accurate record.**

**49/19-20 MATTERS ARISING**

32/19-20 Hazel and Aaron met outside of the meeting and resolved the query regarding the report.

34/19-20 The SED would be presented at May's Corporation meeting.

35/19-20 The OFS had published a list of key deadlines.

**50/19-20 SEARCH AND GOVERNANCE COMMITTEE**

The Corporation Chair discussed the key points from the Search and Governance Committee held on 24 January 2020.

Alan Brady was approached to join the Standards Committee as the Chair of the JWC Local Board.

Action Date

The role of the Finance Committee was discussed, the Committee consisted of three members - due to quoracy it had been rearranged twice. Search Committee members noted the financial reporting at Corporation and assurance through Audit Committee and as such it was recommended to dissolve the Finance Committee and appoint a finance 'lead governor' who would regularly meet with the CFO and provide financial oversight and scrutiny.

**Approved: Corporation approved the recommendation to dissolve the Finance Committee and appoint a finance 'lead governor'.**

The Committee recommended to extend the Co-opted Governor to Audit Committee for a further year until July 2021.

**Approved: Corporation approved the recommendation to extend the Co-opted Governor to Audit Committee for a further year.**

Change to the Corporation agenda had also been discussed to allow more time for 'strategic think'. It was agreed to focus the agenda on three key areas:- Educational Character, Strategy and Goals, Protection of Funds and Assets and Achievement of Legal Obligations and Educational Performance and Quality.

51/19-20

## **PROTECTION OF FUNDS AND ASSETS AND ACHIEVEMENT OF LEGAL OBLIGATIONS**

### **Integrated Financial Model for Colleges (IFMC)**

The CFO explained the context around the introduction of the IFMC and the ESFA's rationale for introducing - due to problems in the sector and a number of colleges going into intervention and the new administration regime.

Multiple versions had been issued by the ESFA and the CFO was now on the sixth iteration and the CFO had mapped the submission documentation to the latest model. He clarified this was in addition to the financial forecast at the end of July.

The CFO had provided a high level overview and had shared the detail with Martyn Marples (Governor). Martyn asked to clarify the calculation for EBITDA. This model appeared a variation to the accounts. The CFO to investigate.

CFO

29/02/20

### **Management Accounts Period 5**

Period 5 Management Accounts was challenging, with next year anticipating an improvement as funding rates increase. A key assumption was that teachers' pension increases will be subsidised by the Government. It is assumed that will continue, but there was some headroom in pay figures if that did not continue.

LGPS schemes want to increase contributions from 13.9% to 26.6% - an increase had been anticipated but not to that extent

and as such the Group had arranged to implement over three years.

Current year challenging – our focus here is on cash and financial health ratings.

A decision on Lennartz was expected in the next 2-3 weeks.

Stuart Ellis observed the report didn't focus on the opportunities. The CFO acknowledged the organisation still needed to maintain its estate, reward its employees if they could afford it and needed to make increased pension contributions and as such still needed to maintain control of costs. The forecast had been made on assumptions.

Mike Kapur said there was an element of risk, the Group didn't know what Government policy would be and assumptions were based on the Group's skills of estimating. He questioned what the top three sensitivities were.

It was confirmed there was a guarantee on funding for student numbers, which was based on lagged learner numbers.

The key risks related to the Adult budget – which had reduced significantly in London, delivering on apprenticeships and managing the pay line against income.

The CFO explained that analysis carried out compared with last year showed higher levels of sickness than in previous years and the strategy was to make sure there were teachers in the classroom when staff were ill.

The Deputy CEO explained the strategy adopted at the JWC whereby teachers have to ring in absence by 7.00 am, which ensures that a teacher is available by 9.00 am, to cover the class. Putting an agency member in to cover the class does incur an extra cost, which had not been budgeted, but outweighed the risk by not having a specialist in the classroom or cancelling the class.

The Vice Chair said if the results improved, the success factor would be reflected in the budget, but not until the 2020-21 allocation.

The growth predicted in the budget for apprenticeships had not been substantiated and the CFO was working with the Deputy Principal to reprofile this. The Deputy Principal quoted external factors such as Brexit and the Levy, which had affected key employers Caterpillar and Plasticomnium, who had put a stop on new apprentices coming in. The costs had been reduced on the contract which would balance out. The Business Development team had been tasked with making up the shortfall.

ESOL had an extra £200k worth of enrolments in January. Roundhouse Thinking were not achieving the predicted turnover.

The MBS Board meeting had taken place and period 5 accounts were reviewed, which looked in reasonable shape at cost and margin.

Quotes were being received for capital works associated with T Level and the Group were in the process of appointing contractors to commence works at the Hudson, Broomfield and the JWC.

**Approved: The IFML was approved for submission subject to clarification on Martyn Marples' point re the EBITDA calculation.**

#### **52/19-20 EDUCATIONAL CHARACTER, STRATEGY AND GOALS**

Following the Corporation's approval of the Corporate Strategy, work was now underway on the enactment plans.

The Chief Executive provided a brief overview of recent policy developments, drawing out those, in particular, which were of significant importance to the Board.

The recent FE Commissioner letter was highlighted, which focussed on those colleges in formal intervention – many of which arose from poor governance. Alongside this, the FEC Annual Report which focussed on the work of the FEC and his team.

There was a big risk around teacher salaries in schools. Retention strategies were being explored due to competition for the talent in local schools and this was discussed at length by the Board. It was noted 57 English and maths teachers were involved in preparing students for resits.

#### **53/19-20 POLICIES**

An annual review of the Standing Orders had taken place which had been issued remotely for approval

**APPROVED: The Corporation approved the updated Standing Orders.**

*The meeting finished at 6.20 pm*

Signed: \_\_\_\_\_ Date: \_\_\_\_\_