

**WALSALL COLLEGE MINUTES OF A MEETING OF THE CORPORATION
HELD ON THURSDAY 6 JULY 2023 AT 1730 HRS
VENUE: HB201, HUB BUILDING**

Attendance Present: **Attendees**
Paul Averis
Jaswinder Dhillon
Sam Jarvis
Heather Lodge
Mary Mahoney
Stuart Pedley-Smith
Rani Sahota
Jat Sharma - Principal
Ray Simmonds
Nelson Tanyanyiwa
Dave Wheeler – Chair

Together with: Richard Brennan - Assistant Principal Curriculum & Quality
Matthew Brown - Director of Finance & MIS
Edward Ng - Associate Governor (Observer)
James Norris - Assistant Principal Commercial Development
Deb Rajania - Director of Operations & Resources
David Turner - Assistant Principal Quality & HE
Lesley Venables - Interim Head of Governance

Apologies: Graham Ward, Garry Welborn, Konrad Klimczyk, Charlotte Bosworth (Vice-Chair),
Nick Tomkys and Tony Sadla.

The meeting was preceded by a presentation by staff from the Learning Resources Centre which set out the activities that has taken place in 2022/2023 and future plans for this area.

Item	Subject	Who
71.23	CHAIR'S OPENING REMARKS The Chair welcomed all attendees and introduced Edward Ng and Nelson Tanyanyiwa, for whom it was their first meeting.	
72.23	APOLOGIES Apologies for absence were received from Graham Ward, Garry Welborn, Konrad Klimczyk, Charlotte Bosworth (Vice-Chair), Nick Tomkys and Tony Sadla.	
73.23.1	DECLARATIONS OF INTEREST A declaration of interest was received and noted from David Wheeler in respect of his recent visit to the Construction College Midlands, when he had arranged a number of contacts for staff with individuals within his own network.	
73.23.2	Edward Ng also declared an interest in any discussions on green energy programmes as his son was the co-founder of a start-up business that engaged young people in that industry.	
73.23.3	Both of these would be formally recorded on their respective register of interest forms, which were kept on file centrally.	Interim Head of Gov

Item	Subject	Who						
74.23	MINUTES Resolved – That, subject to the amendment of para 68.23.8 (appointment of SEND link governor), the minutes of the meeting held on 24 th May 2023 be approved as a correct record and signed by the Chair.	Interim Head of Gov to discuss with Chair and Principal						
75.23	MATTERS ARISING							
75.23.1	Governors received a report on progress against the actions identified at the previous meeting and noted that the majority of these had been completed.							
75.23.2	Further work was required on the Student Union Constitution (minute 47.23 refers), a final version of which would be presented for approval at a future Corporation meeting. In consultation with the new President of the SU the Head of HE was considering the replacement of the honorarium.	APQ&HE/ Interim Head of Gov						
75.23.3	The Board was advised that individual meetings would be arranged with the Chair and the new Head of Governance in the Autumn Term. A series of meetings of committee chairs would also be established.	Chair/Head of Governance						
76.23	SAFEGUARDING TRAINING							
	The Assistant Principal Quality & HE delivered a training session for governors on basic safeguarding principles and the Prevent agenda. Governors were advised that any future Ofsted inspection would seek assurance on the effectiveness of the College’s safeguarding framework.							
77.23	HEALTH & SAFETY POLICY 2023/2024 Resolved – That, subject to the addition of the Chair’s signature on the Statement of Intent, the Health & Safety Policy for 2023/2024 be approved							
78.23	QUALITY UPDATE							
78.23.1	The Assistant Principal (Quality & HE) presented an update on quality issues. All quality reviews had now been completed, the gradings for which were: <table data-bbox="320 1456 925 1554"> <tr> <td>Outstanding</td> <td>4 areas (previously 2)</td> </tr> <tr> <td>Good</td> <td>24 areas (previously 14)</td> </tr> <tr> <td>Requires Improvement</td> <td>4 areas (11 in term one)</td> </tr> </table>	Outstanding	4 areas (previously 2)	Good	24 areas (previously 14)	Requires Improvement	4 areas (11 in term one)	
Outstanding	4 areas (previously 2)							
Good	24 areas (previously 14)							
Requires Improvement	4 areas (11 in term one)							
78.23.2	Overall retention levels had improved by 3% in 2022/2023 to 93% and it was noted that there were no significant gaps between groups with particular protected characteristics.							
78.23.3	The predicted achievement level was 84.4% compared to 79.2% in 2021/2022, with the highest increase in the V6 department (11.1%) due to improved teaching, personal development and student engagement during the year.							
78.23.4	Destinations data indicated that 88% of students had progressed positively, an increase of 3% against 2021/2022 and no significant EDI gaps had been identified.							

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78.23.5	Governors were advised that part of the preparation for any Ofsted inspection would include key curriculum indicators and a comparison against previous years.	
79.23	AUDIT COMMITTEE – 13 JUNE 2023	
79.23.1	In the absence of all members of the Committee, the Director of Finance & MIS provided a verbal report on the meeting held on 13 th June 2023.	
79.23.2	The Committee had received a report on progress against previous audit recommendations and had noted there were none classified as overdue, 8 in progress, 8 had been completed and 7 were not yet due for implementation.	
79.23.3	The External Audit Planning Memorandum for the 2022/2023 Financial Statements had not yet been completed due to this service being re-tendered but would be submitted to an additional Committee meeting at the end of September, for recommendation to the Corporation in October.	
79.23.4	An Internal Audit report on Financial Controls had been received, which had graded this area as providing ‘substantial’ assurance. A small number of internal audit reports had been delayed due to timely provision of evidence and the sickness absence of a key member of RSM staff. These remaining reports would be submitted to the Committee’s next meeting in September 2023.	
79.23.5	The Committee had received for information a Funding Assurance Audit report commissioned by the ESFA relating to sub-contracting of provision. It was likely that the ESFA would claw back approximately £0.5m of funding, based on the recommendations in the report, which related to learners not completing and achieving Off the Job Training, where the supporting evidence was not complete.	
79.23.6	Governors had sought and were given assurance by management that the errors that had culminated in the clawback had not been intentional and related to misinterpretation of the funding rules or a lack of robustness in the recording of OTJ activity. Substantial work had been undertaken since the report had been issued to mitigate any future issues and improve the robustness of processes in this area.	
79.23.7	A separate meeting would be held to discuss the current Board assurance framework and proposals for its further development.	
80.23	APPOINTMENT OF AUDITORS	
80.23.1	The College had recently undertaken a tender process for both internal and external audit services, using the Crescent Purchasing Consortium portal. A total of 6 bids had been received for the provision of the internal audit service, including the current provider. Although RSM were the most expensive firm in the bidding process it was felt that they provided good value for money and had an extensive client base which enabled the College to benefit from sector benchmarking.	
80.23.3	Only 2 bids had been received for the external audit service contract. It was unclear as to the impact of the ONS reclassification of FE colleges	

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	and the Committee noted that providing external audit services was not cost-effective for many firms in the sector.	
80.23.4	A further tender exercise would be undertaken in the Autumn Term to procure external funding assurance services.	
80.23.5	<p>Resolved:</p> <ol style="list-style-type: none"> 1. That RSM be appointed as internal auditors for a 3-year contract for 2023/2024 to 2025/2026 with a maximum 2 year extension. 2. That Beever & Struthers be appointed as external auditors for a 3 year contract, commencing with the 2023 financial statements, with a maximum 2 year extension. 	Dir of Finance & MIS
81.23	INTERNAL AUDIT STRATEGY 2023/2024 TO 2025/2026	
81.23.1	The Director of Finance & MIS presented the draft Internal Audit Strategy for 2023/2024 to 2025/2026, which was based on the College's current priorities and used a risk-based approach to determine areas of coverage.	
81.23.2	The Plan for 2023/2024 included reviews of Quality Assurance, Finance, IT/Cyber Security, Health & Safety and Risk Management. Governors were advised that the Cyber Security was featured due to recent incidents in the FE and wider sector and the non-completion of some previous recommendations. The Committee had felt that this area should be reviewed in each year, rather than every 2 years as recommended by the Internal Auditor and had asked that the Plan be adjusted accordingly.	
81.23.3	In 2023/2024 the planned number of days would be 45, at an estimated cost of £29,250. The timings of each visit and the number of audit days for 2023/2024 could be amended during the year.	
81.23.4	Resolved – That the Internal Audit Strategy for 2023/2024 to 2025/2026 be approved.	
82.23	RISK MANAGEMENT & BOARD ASSURANCE	
82.23.1	The Director of Finance & MIS reported that the College's risk management system was fully operational but was applied inconsistently across the organisation, with further work required to ensure that the controls were in place and operating effectively.	
82.23.2	A governor asked about the recruitment challenges for the College, which were a key risk. The Director of Finance & MIS advised that the vacancies that had existed in the MIS department had now been filled, with the exception of the Head of MIS, for which an alternative solution was proposed. There was a shortage of these specialist skills within the FE sector.	
82.23.3	In response to questions about nurturing talent from within the existing team the Director of Finance & MIS reported that a deputy MIS Manager had now been appointed and that the Team's skills would need to be constantly refreshed.	

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82.23.4	The Apprenticeship Operations Team's responsibilities had now been realigned to their workload and the vacant post in the Finance Team had now been filled. All new appointments now needed to be embedded within the organisation to enable them to be effective. Management would continue to monitor the situation and would bring to the Corporation's attention any significant concerns, through the Finance & Resources Committee.	
83.23	FINANCE & RESOURCES COMMITTEE – 20 JUNE 2023	
83.23.1	The Chair of the Finance & MIS provided for information a summary of the Finance & Resources Committee meeting held on 20 th June 2023. Governors had received the management accounts for April 2023 and were advised that the budget was on track to be achieved by the end of the academic year, but the outturn was extremely tight. Any risks relating to the achievement of the Adult Education Budget had now subsided.	
83.23.2	A governor asked about the theoretical breach of one of the bank covenants and its implications for the College. The Director of Finance & MIS reported that the loans taken out in previous years for capital developments had been on the basis of 'old' accounting conventions. The new standards (FRS102) had been adopted subsequently, which changed the way in which the covenants were dealt with in the financial statements.	
83.23.3	Discussions had taken place with Barclays and it was noted that no concerns had been raised as this was a technicality. Governors were advised that the College could pay off the remaining balance of the £5m loan, but the penalties associated with the break clauses meant that this would not be a good use of public money. Additionally, the interest payments were low compared to newer loans now offered in the sector.	
84.23	BUDGET FOR 2023/2024 and COLLEGE FINANCIAL FORECAST RETURN	
84.23.1	The Director of Finance & MIS presented the draft budget for 2023/24 and 3 Year Financial Forecast (CFFR). The latter had been updated since the Finance & Resources Committee meeting and now included the underlying cash position of the College.	
84.23.2	<p>The draft budget was based on a number of assumptions:</p> <ul style="list-style-type: none"> • A slight reduction of 16-18 student numbers, lower funding levels for T-Levels, retention and the disadvantage uplift • Reduced industry placement funding • 100% of the WMCA contract value exceeded but a diminishing offer of loans and full cost FE provision. • £5.1m apprenticeship target • Pay to income ratio of >70% • Increase in class sizes to 17 • £1.5m capital investment • Lower activity levels on HE programmes • £1m additional expenditure on energy costs • Robust pay and non-pay expenditure controls • Improvement in staff utilisation and more holistic approach to timetabling • Greater efficiency in organisation of pastoral support functions 	

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	<ul style="list-style-type: none"> Maintaining 'outstanding' financial health rating 	
84.23.3	<p>The projected deficit for 2023/2024 was £1.527m, with an EBITDA figure of 4.26% and a relatively high pay to income percentage. The long-term strategy for EBITDA was a figure of 10%, however, in 2022/2023 this had been reduced to take account of higher utility costs and the need to finance a staff pay award, which would probably be necessary in 2023/2024 and meant that the projected EBITDA would remain in force for the duration of the Forecast.</p>	
84.23.4	<p>The Finance & Resources Committee had requested that an in-year re-forecast should be submitted to its meetings in October and November 2023. It was agreed that if the College recruited fewer students than the agreed target an action plan would be brought to the October F&R and Corporation meetings.</p>	Director of Fin & MIS
84.23.5	<p>The Principal advised that the priorities for staff were to ensure that all students were on the most appropriate programmes, were well-supported and retained for as long as possible. All FE colleges were experiencing similar difficulties, especially as schools were retaining a higher percentage of 16-18s. Governors were reminded that the College would receive £0.5m less from the deprivation index funding in 2023/2024. All staff would be reminded of the tight budget position for next year at the staff conference.</p>	
84.23.6	<p>A governor commented that the sector was still being impacted by the pandemic and the situation was being exacerbated by industrial action across a number of industries.</p>	
84.23.7	<p>At the previous Corporation meeting governors had discussed the need to continue to invest in quality improvement, against a background of stretched staffing and budget constraints. The Financial Forecast reflected this strategy but was also realistic in terms of growth and learner number projections.</p>	
84.23.8	<p>Governors requested that a full review of higher education provision should be undertaken, as the current student numbers had not grown for a considerable period. This delivery of HE provision was likely to change in the near future, as the Government was considering a more modularised education offer in line with its lifelong learning strategy. In response to questions on the profile of the current HE student cohort, the Assistant Principal Quality & HE advised that most students progressed from Level 3 programmes who chose to continue their studies within the College rather than at university.</p>	
84.23.9	<p>The College was already reviewing its HE provision with a view to moving away from HNC/HND qualifications in favour of higher level apprenticeships. A detailed report on the outcomes would be submitted for discussion at the Learning & Quality Committee.</p>	Exec Team
84.23.10	<p>It was felt that capital investment in all sites was important and that the CCM site needed to increase its contribution to the College's overall income.</p>	ELT

Item	Subject	Who
84.23.11	<p>Resolved - That the following items be approved:</p> <ol style="list-style-type: none"> 1 Budget for 2023/2024 2 College Financial Forecast Return (for submission to the ESFA by 31st July 2023) 3 £1.5m capital expenditure for 2023/2024 	
85.23	LEARNING & QUALITY COMMITTEE – 3 JULY 2023	
85.23.1	<p>The Chair of the Learning & Quality Committee provided a verbal report on the meeting held on 3rd July 2023. Monitoring of the key priorities set at the start of the academic year (English, Maths and Attendance) had continued and good levels of improvement had been noted on each of these, despite the external challenges and difficult funding environment.</p>	
85.23.2	<p>The Committee had noted evidence of culture change taking place at the College on the sustainability of the curriculum. Regular data updates were provided to members by the Executive Team, which could be triangulated through the inputs provided by managers who were invited to each meeting.</p>	
85.23.3	<p>A governor asked about the classifications of areas within the Quality Improvement Plan and how these compared to 2021/2022. The Assistant Principal Quality advised that these were not definitive judgements, for example, although adult student destinations had been positive, this work needed to continue for all future cohorts which had led to its ‘amber’ grading.</p>	
85.23.4	<p>It was felt that the College was in a better position than in 2020 and was a strong grade ‘2’ on the Ofsted scale. A summary of last year’s RAG ratings would be circulated to governors for information.</p>	AP Quality
85.23.5	<p>Personal Development for apprenticeships had been graded as a ‘3’, as it was more difficult for any improvements to gain traction. Although the area was now delivering a higher quality of content the fact that students were more removed from their classroom based peers meant that further work was required.</p>	
85.23.6	<p>A significant effort had been made in moving from a didactic teaching, learning and assessment model, which was paying off in terms of staff confidence levels and enabling them to challenge and stretch students.</p>	
85.23.7	<p>The staff governor commented that staff time needed to be set aside for development activities. The Assistant Principal Quality advised that students were seeking more teacher engagement and rapport-building.</p>	
86.23	CAPITAL PROJECTS WORKING GROUP – 4 JULY 2023	
86.23.1	<p>In the absence of the Working Group Chair (Graham Ward), Nelson Tanyanyiwa provided a verbal update on discussions at the meeting held on 4th July 2023.</p>	
86.23.2	<p>It had been agreed that the Terms of Reference should be amended to ensure that any recommendations were submitted for approval by the Corporation, rather than being channelled through the F&R Committee.</p>	

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86.23.3	A progress report had been received on all capital projects, including the Green Lane development, all of which were on track. Approval of the Electric Vehicle Centre proposals would be sought from the F&R Committee and full Corporation in October 2023 and for the Hawbush project in March 2024.	
86.23.4	<p>The Director of Operations & Resources requested approval of 2 items for Chair's Action:</p> <ul style="list-style-type: none"> a) Authority to sign off any contract above £100K for the Portland Street/Wisemore Campus connection. This project had already been approved by the Corporation but required specific authority prior to the contracts being awarded. b) Authority to sign a temporary lease for the Skills & Employment Hub in Park Street (Walsall Town Centre), which would be required in August. This would improve the College's adult skills numbers and contribute to the widening participation agenda. 	
86.23.5	Resolved – That the Chair be given delegated authority to sign the documents outlined above, with any activity reported to the next available meeting of the Capital Projects Working Group and the Corporation.	
87.23	EXECUTIVE REPORT	
87.23.1	Governors received a report a strategic update that covered internal and external developments, including:	
87.23.2	<ul style="list-style-type: none"> • The draft Well-Being Strategy would be presented to the next Finance & Resources Committee meeting for recommendation for approval by the Corporation. 	
87.23.3	<ul style="list-style-type: none"> • A Levels in Business, Economics and Accounting had been added to the College's portfolio. With the intent to include Maths and English in the overall offer in 2024/2025, it would now be possible for the College to operate a full suite of A Level programmes. 	
87.23.4	<ul style="list-style-type: none"> • Level 3 provision was being prioritised by the Combined Authority, which carried a higher value, but funding for Levels 1 and 2 programmes were more uncertain and may need to be delivered through community learning in future. 	
87.23.5	<ul style="list-style-type: none"> • The College was projected to achieve its AEB target for 2022/2023, which would build in growth for 2023/2024. The Assistant Principal Commercial Development was confident that the outline enrolment numbers would be met and there was a summer campaign to drive up the number of 'walk-ins' amongst 16-18s. Weekly updates on enrolments would be provided to governors over the summer period. 	
87.23.6	<ul style="list-style-type: none"> • Governors were invited to attend the Curriculum Conference and the STAR awards in July. 	

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88.23	STUDENT UNION REPORT	
88.23.1	Governors received for information a report on Student Union activities since the May 2023 meeting.	
88.23.2	The Chair thanked the SU President for the work undertaken by the Union over the last year and for his contribution to the Corporation.	
89.23	ANY OTHER BUSINESS	
	The Chair expressed his sincere gratitude to all governors and the Executive Team for their outstanding work during 2022/2023. Particular thanks were given to Jaswinder Dhillon, for whom this would be her final meeting, as she was retiring from the Corporation at the end of her second term of office.	
	DATE OF NEXT MEETING 26 October 2023	

Item	How governors challenged management

Item	Impact of meeting on college