

MINUTES OF CORPORATION MEETING

PART ONE

Venue: HB201

Date: Thursday 11th July 2024**Members:**

Charlotte Bosworth
Heather Lodge
Alexandru Marina
Stuart Pedley-Smith
Rani Sahota
Tony Sadla
Jat Sharma
Nelson Tanyanyiwa
Nick Tomkys
Garry Welborn
Dave Wheeler

In Attendance:

Barbara Van Der Eecken, Edward Ng – Associate Governors
Richard Brennan, Assistant Principal Curriculum
Matthew Brown, Director of Finance & MIS
James Norris, Assistant Principal Commercial Development
Deb Rajania, Director of Operations & Resources
David Turner, Assistant Principal Quality & HE
Lesley Venables, Head of Governance

	CHAIR'S OPENING REMARKS	
385	The Chair drew the Board's attention to a recent article on LinkedIn by Barbara Van Der Eecken on the College's recent curriculum conference. It was noted that the demonstrations given on the day by the Advanced Practitioners would be replicated at the next Learning & Quality Committee meeting. The new student governor was welcomed to his first meeting.	DT
	APOLOGIES	
386	Apologies for absence were received from Paul Averis, Mary Mahoney, Graham Ward, Linda Enow and Edward Ng.	
	DECLARATIONS OF INTEREST	
387	There were no declarations of interest in any specific agenda items.	
	MINUTES	
388	Resolved – That the minutes of the meeting held on 11 th June 2024 (Part 1 be approved as a correct record and signed by the Chair	
	MATTERS ARISING	
389	The Board received a progress report on actions arising from previous meetings and noted that the majority of these were either completed or in progress.	
390	In relation to minute 187 governors were advised that the revised Higher Education Strategy had been drafted and was undergoing a further review. This document would be submitted to the Learning & Quality Committee for recommendation to the Corporation once completed.	JN
391	A governor suggested that a regular update on admissions for 2024/2025 should be provided and include information on levels of engagement at The Link facility. Data on enrolments would be circulated on a weekly basis in line	JN

	with previous practice and activities at The Link would be covered in the Executive Report to each Corporation meeting.	
	LINK GOVERNOR ACTIVITIES	
392	Governors reported on various visits they had made to the College since the June 2024 meeting.	
	STUDENT VOICE COMMITTEE	
393	This item was deferred to the October 2024 meeting.	
	PROPERTY UPDATE	
394	The Director of Operations presented an update on the College's property strategy, with a particular focus on the proposals for the Adult Learning Centre (Park Street Campus).	DR
395	Governors received a summary of current projects. The Green Lane extension was now completed.	
396	The Electric Vehicle & Sustainability Centre was currently on hold due to funding issues, but management was confident that the local authority would support this project under the Government's Health Levelling Up Fund (the total estimated cost was £3.85m plus £1m to be provided from the Towns Deal fund, with no contribution by the College). This project had been approved previously by the Corporation in terms of its content but with no fixed timeline for delivery. Since then, some value engineering had been carried out and the first floor had been removed from the scheme.	
397	The proposed Adult Learning Centre formed part of the regeneration of the town centre and would provide direct access to the railway station. The timescale for approval being required from the Corporation, based on a satisfactory education business case and financial plan, was now October 2024, following approval by the Council's cabinet in September 2024. The total cost was £12.19m, £8.9m of which would be derived from the Towns Deal fund and £3.8m of matched funding from the local authority. The latter included the receipt from the sale of the Hawbush Centre and it was noted that the valuation of that site would need to be reviewed prior to the sale.	
398	A governor asked whether the future of the ALC project was still assured given the election of a new Mayor at the Combined Authority. The Director of Operations confirmed that the CA would still be supportive of the project. However, the General Election had meant that any Healthy Living Fund projects were now on hold pending further review. The EVC project could be completed by the end of December, if approval was given by the DCLG. Barbara Van Der Eecken joined the meeting.	
399	The Board reiterated concerns that had been expressed previously by staff and students regarding safety measures for the proposed ALC. These needed to be addressed as part of any business case for the project and an assurance was given that this issue would be given high priority in the design and execution of any scheme for the ALC. A wider partnership approach to safety would be taken, including an input to the next Student Voice Committee meeting by a representative of the local authority.	

400	The Director of Operations reported that the main contractor for the ALC project would be appointed by the local authority in February/March 2025. Final fitting out of the building would take place between June and August 2026, with a planned opening date of September 2026.	DR
401	It was noted that all of these projects would be included in a revised Property Strategy that would be drafted in the Autumn Term.	
402	A governor asked whether the reclassification of the College to the public sector by the Office for National Statistics would impact on the ALC project. The Director of Finance & MIS reported that management interpretation of the new regulations around 'novel and contentious' proposals was that DfE approval was not required. Discussions had already taken place with the College's DfE liaison and no issues had been raised, however, management would pursue this further and obtain definitive guidance.	
CORPORATE PLAN UPDATE		
	Sally Day, Kath Ludlow and Delia ?? joined the meeting.	
402	Governors received an update from KPL Consultants, which had been engaged to support the College in the development of the new Corporate Plan.	DW/LV
403	Detailed research had been undertaken into the context in which the College operated. Extensive stakeholder consultation had taken place involving governors, staff, students and other partners.	
404	A set of 5 values that would be visible by all and would guide behaviours had been devised. Five priorities had been drafted – effective operations, empowering students to thrive, supporting staff to be successful, powerful employer partnerships and celebrating and sharing achievement.	
405	Effective communication and the need for substantive change had been highlighted as key concerns for staff. It was important that the College led the conversation on its development within the local and regional community.	
406	Further engagement work would be undertaken over the summer.	
407	A decision-making framework had been devised against which proposals would be assessed at SMT level and would align to one or more of the strategic priorities. A series of working groups would ensure that the College delivered each of the strategic priorities in a consistent manner, with an executive sponsor assigned.	
408	It was agreed that, once the priorities had been approved by the Corporation, one or two governors would be assigned to each of the working groups to provide strategic oversight. Training and support would be provided for governors at an appropriate point in the Autumn Term.	
409	One of the tasks for the working groups would be to define the College's unique advantage, which would comprise an amalgamation of 'hard' and 'soft' measures, such as student achievement, employer links, wraparound support for learners and high quality facilities. It was envisaged that the 'advantage' would be different for respective groups.	

410	An annual perception audit would be carried out to determine the alignment with the Corporate Plan and staff, student and stakeholder views. Initial feedback had indicated that the current strapline, "Bringing Talent to Life", already met the College's needs and did not require updating. It was recognised that the language used to communicate with stakeholders such as employers would be different from that for students	JN/LV/ SDay
411	A set of suggested action points had been developed for delivery in the first year of the Corporate Plan.	
412	The final version of the Corporate Plan would be submitted for approval at the October 2024 Corporation meeting, with roll-out to the organisation on 1 st November 2024. It was agreed that discussions on the communication of the full Corporate Plan would take place early in the Autumn Term.	
EXECUTIVE REPORT		
413	Governors received the regular Executive Report.	
	14-16 Provision	
414	Following discussions at the June 2024 meeting revised proposals on the College's 14-16 provision had been submitted to the Learning & Quality Committee for recommendation to the Corporation. It had been concluded that this provision should be offered to students in Walsall (either through local schools or Walsall Council), together with those who had previously been engaged and those that had been allocated a place for 2024/2025.	
415	The management of this area would be transferred to Supported Learning, which would enable a foundation level of learning to be offered across the College, together with progression pathways.	
416	A suitable area had been identified within the Wisemore building, with a separate entrance and secure access. The current Student Lounge would be moved to the front of the College and this had been positively received by the Students Union.	
417	Resolved – That the proposals for the College's 14-16 provision be approved and become effective from 1 st September 2024	
	Curriculum Performance	
418	Growth of the College's Level 3 provision continued in terms of the number of students and qualifications for both T Levels and A Levels. In some cases, T Levels have now fully replaced Level 3 courses that were no longer funded by the DfE.	
419	The College was on track to meet its devolved Adult Education Budget target through the remaining enrolments and achievements in 2023/2024. However, there was under-performance against the smaller ESFA (out of area) contract for adults as some of the more substantial delivery across the West Midlands border had ceased, with a dependence on students with a home postcode outside of the West Midlands who are attending courses on campus to fill this allocation.	
420	Community learning had exceeded some 3,500 partially due to some non-accredited ESOL provision being moved by the Combined Authority from AEB	

	to Community learning, whilst also increasing the proportion of higher-level provision in priority sectors such as Digital, Engineering and Construction.	
421	Performance Against Quality Indicators A total of 11 curriculum areas had been assessed as 'outstanding, with 15 graded as 'good' and 3 as 'requires improvement'. Action plans were in place for the latter and progress would continue to be closely monitored. Both behaviours and attitudes and personal development had been assessed as 'good' in 2023/2024.	
422	Student outcomes were improving, with the predicted achievement rate for classroom-based provision at 87.6% compared to 82.9% in 2022/2023. Retention was 93.1% compared to 90.1% in 2022/2023.	
423	A deep dive had just taken place in Engineering and it was hoped that following the appointment of a new Faculty Director, the good practice evidence in Automotive would now translate into Engineering. The department had experienced difficulties in the recruitment and retention of staff, which had impacted on student performance.	
424	However, the overall achievement rate for apprenticeship provision was 1% below that of 2022/2023 at 50.9%, against a predicted outturn of 54%.	
425	The Chair asked for the Corporation's thanks for the efforts of staff to be communicated at the Curriculum Conference to be held later in the week. The Principal commented that many staff were keen to ensure greater consistency of performance and to share best practice, particularly given that a visit from Ofsted was highly likely in 2024/2025.	JS
CURRICULUM STRATEGY		
426	The APCD presented the final draft of the Curriculum Strategy for 2024-2027. Subject to a number of further changes that had been requested, this document had been recommended for approval by the Learning & Quality Committee.	
427	Resolved – That the Curriculum Strategy for 2024-2027 be approved	
AUDIT COMMITTEE – 18TH JUNE 2024		
428	In the absence of the Committee Chair, Charlotte Bosworth provided a verbal report on the Audit Committee meeting held on 18 th June 2024.	
429	Internal audit reports had been received on Quality Assurance and Key Financial Controls which had graded these areas as providing 'Substantial' levels of assurance. A further report on IT Security & Controls had assessed this area as 'Reasonable' assurance. A good level of progress had been made in respect of any previous audit recommendations.	
430	The Committee had discussed 3 funding assurance audit reports on the College's apprenticeship provision that had been published in the last 18 months, all of which proposed different conclusions. This evidenced the complexity of this area of the College's work, but management had acknowledged that some internal processes had required strengthening and had worked hard to address these issues, with mixed outcomes due to the nature of the provision and the complicated funding regulations.	

431	Many of these processes were undertaken manually, which provided a larger scope for error; the Corporation was advised that a more automated system was being examined by staff.	JL/LV
432	It had been agreed that a regular report on progress against the recommendations outlined in the funding assurance audits would be made to the Committee.	
433	The Committee had recommended the draft Internal Audit Strategy for 2024/2025 and the External Audit Strategy for the 2023/2024 Financial Statements & Regularity Audits.	
434	A revised board assurance framework had been developed which aligned to RSM's 4Risk system. A new Risk Management Policy had been drafted which the Committee had recommended for approval. It was agreed that a training session for governors would be held during term 1 to enable them to familiarise themselves with the new system and to determine an appropriate risk appetite.	
435	Governors noted that the streamlining of the College's apprenticeship offer (from 39 to 22 standards) and the ongoing work to address the funding assurance recommendations would impact on the overall risk appetite and risk scoring in that area.	
436	Information on the updated Post-16 Audit Code of Practice had been circulated to the Corporation, together with a report published by the ESFA on common themes of recent funding assurance audits.	
437	The Audit Committee had also recommended for approval an updated Anti-Bribery Policy, which now reflected the College's revised structure.	
438	It was noted that new regulations on national public procurement would be effective from October 2024. Management was currently reviewing whether current policies and processes required updating to ensure compliance.	
439	Resolved – That the following be approved: 1 Internal Audit Strategy for 2024/2025 2 External Audit Strategy for 202/2024 Financial Statements & Regularity Audits 3 Risk Management Policy for 2024/2025 4 Anti-Bribery Policy	
440	A governor asked how new policies were cascaded to staff. The Director of Operations & Resources explained that this was achieved in consultation meetings with the recognised trade unions, at SMT and team meetings. following which they were uploaded to the relevant section of the College's intranet.	
FINANCE REPORT		
441	The Director of Finance & MIS presented the management accounts for May 2024, which had been discussed by the Finance & Resources Committee.	
442	The accounts reflected previous conclusions that this was a difficult year for the College in terms of its financial position, with a tight budget and little scope for manoeuvre. The 16-18 cohort had increased at the start of the year, for	

443	which the College would receive lagged funding in 2024/2025. There had been under-performance against the budget on apprenticeships, tuition fees higher education and commercial Construction courses delivered by CCM. Costs were still high, drive up by inflation and the decision to award a 6.5% pay increase to all staff for 2023/2024. Maintenance and estates costs were increasing. Overall this meant that the College would not meet its budget for 2023/2024 However, the College's financial health rating was 'Good' and there was a substantial cash balance at the end of the academic year. The level of EBITDA was currently 1.61% and governors were given an assurance that none of the bank covenants were adversely affected by this.	
THREE YEAR FINANCIAL FORECAST & BUDGET FOR 2024/2025		
444	The Director of Finance & MIS presented the Three Year Financial Forecast, the first year of which consisted of the Budget for 2024/2025.	
445	A number of assumptions had been made in preparing the Forecast, namely: • Good Financial Health • EBITDA > 4% • Staff Cost as % Income lower than 2023/24 outturn ie 71% • Average Class Size >17 • £1.5m investment in resources • Positive Cash position after Capital Expenditure • 16-18 Student numbers will remain at 2023/24 levels • Some additional teaching staff capacity to be budgeted to support responsive delivery in year	
446	Other factors that had been included was the scaling down of the number of apprenticeship standards, (which should have a positive impact on the EBITDA level, increasing to 4.46% for those standards that were maintained) and continuing high levels of cost and no increase in ESFA funding levels. These led to a similar projected outturn for years 1 and 2 of the Forecast, but provided a greater level of comfort in moving resources between budget headings.	
447	Following a request from the Chair of the Corporation an additional paper was circulated to the Board that set out the Income & Expenditure Statement for 2023/2024 and 2024/2025. This paper detailed the £600K of disadvantaged funding that had been removed for 2023/2024 but would be reintroduced next year, the lagged 16-18 funding as well as a higher number of continuing students, both of which contributed to total 16-18 funding of £31.22m in 2024/2025 compared to £26.4m in 2023/2024.	
448	Apprenticeship numbers were projected to increase next year following improvements to quality processes and some restructuring. The College's total income was expected to grow from £47m to £52.4m overall in 2024/2025.	
449	However, this would be partly offset by the reduction in the level of EBITDA next year. Staff costs per unit of student income were projected to be higher and this would be exacerbated by the increased 'wraparound care' required by students.	

450	There was an opportunity to revise delivery or operating models to bring about efficiencies in 2024/2025 and any resulting benefit could either be banked or reinvested in resources or facilities.	
451	A governors asked what elements of investment had been included in the depreciation figures in the report and was advised that this was any assets that had been fully or partially depreciated. The impact of the Green Lane project (at a cost of £4m) would continue for the next 6 years as that asset was depreciated. Equipment provided using T Level funding and Higher Teaching Qualification grants would be depreciated over 4 years, as these had been spent outside of the annual £1.5m capital expenditure allocation. Assets relating to the EVC and the ALC had not been included as these projects were not yet completed.	
452	The Principal commented that Government budget levels were currently uncertain which was reflected in funding for FE. The first stage of any transformation project was likely to be increasing group sizes without any adverse impact on the student experience and quality.	
453	Governors had been advised of the likely £1.5m deficit for 2023/2024 throughout that year, with original projections for 2024/2025 and 2025/2026 far worse than the current draft Forecast. EBITDA was approximately 4.6%, but there were too many unknowns at this stage to determine an appropriate level. As discussed previously the College needed to balance carefully quality and financial sustainability/profitability.	
454	Guidance from the FE Commissioner's office on the ideal staff to income ratio was that 70% and over was unacceptable. However, the majority of colleges found this challenging in the current landscape and with high expectations of students and regulators.	
455	Further discussion would take place at the next Finance & Resources Committee meeting on possible scenarios on pay compared to income and how the College could change the profile and delivery of its offer to meet the needs of students and employers.	JL
456	Resolved – That the Three Year Financial Forecast for 2024/2027 and the Budget for 2024/2025 be approved	
SUPPLY CHAIN FEES & CHARGES POLICY		
457	The Assistant Principal Commercial Development presented a revised Supply Chain Fees & Charges Policy, which was a requirement of the ESFA, and had been recommended by the Finance & Resources Committee. Only minor changes were proposed, mainly to reflect changes to job titles.	
458	Governors were advised that robust quality assurance processes were in place regarding the College's sub-contracting provision, including monthly contract reviews. Two of the three companies with which the College contracted were graded by Ofsted as 'Good', with the remaining provider currently outside the Ofsted scope.	
459	Resolved – That the updated Supply Chain Fees & Charges Policy for 2024/2025 be approved	

	HEALTH & SAFETY POLICY 2024/2025	
460	Governors received a revised Health & Safety Policy, which reflected changes to job titles within the organisation.	
461	Resolved – That the Health & Safety Policy for 2024/2025 be approved	
	ANY OTHER BUSINESS	
462	The Chair advised that, together with the Head of Governance, he would be conducting one-to-one meetings with all governors as part of the performance review process. It had been suggested that governors may wish to widen their knowledge by attending committee meetings other than those to which they were allocated (with the proviso that members of the Audit Committee should not be present at Finance & Resources Committee and vice-versa, to preserve independence). Governors would be asked during the 1:1s whether they would like to take advantage of this facility.	
463	As this was his final meeting, the Chair thanked Matthew Brown for his contribution as Director of Finance & MIS for the last few years.	
	DATES OF FUTURE MEETINGS	
	24 th September 2024 - Search & Governance Standards Committee 26 th September 2024 – Audit Committee 8 th October 2024 - Finance & Resources Committee 14 th October 2024 - Learning & Quality Committee 24 th October 2024 - Governor Training 24 th October 2024 - Corporation	
	The staff and student governors, the Principal, members of the Executive and Associate Governors left the meeting at this point.	