



**AGENDA  
REFERENCE**

**A**

## **CORPORATION/COMMITTEE PAPER**

**Meeting of the Corporation**

**17 September 2020**

<b><i>TITLE</i></b>	<b>Minutes of the previous meeting held on 9 July 2020</b>
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<b><i>PURPOSE</i></b>	<b>To receive, agree and approve the minutes of the previous meeting held on 9 July 2020</b>
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<b><i>RECOMMENDATION</i></b>	<b>Governors are requested to note the minutes and agree their accuracy</b>
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<i>No. of pages in main paper</i>	10
<i>Appendices/Annexes</i>	None
<i>Financial Implications</i>	None
<i>Risk Implications</i>	Failure to follow agreed and proper practices
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# MINUTES OF A MEETING OF THE BOARD OF LEICESTER COLLEGE CORPORATION

HELD ON 9 JULY 2020 VIA TEAMS



Present: Jonathan Kerry (Chair)      Chan Kataria  
John Allen      Zubair Limbada  
Tim Gray      Simon Meakin  
Danielle Gillett      Habiba Rashid  
Verity Hancock      Tom Wilson  
Brigitte Heller

In Attendance: Louise Hazel      Director of Governance and Policy  
Shabir Ismail      Deputy Principal  
Tina Thorpe      Vice Principal  
Rod Wood      Director of HR

## **1 DECLARATIONS OF INTERESTS**

- 1.1 The following declarations of interest were made:
- Senior Leadership Team – item 8: senior salaries
  - Tom Wilson and Jonathan Kerry – item 12: St Phillip's Centre mentioned.
  - Zubair Limbada – item 12: De Montfort University mentioned.
  - Verity Hancock – item 12: National Space Centre mentioned.
  - Caroline Tote, Chan Kataria, John Allen and Tom Wilson – item 17: Governor appointments.

## **2 APOLOGIES FOR ABSENCE**

- 2.1 Apologies for absence were received from Louisa Poole, Naz Nurani, Mandeep Singh and Caroline Tote. Andrew Hind was absent.

## **3 MINUTES OF THE LAST MEETING AND MATTERS ARISING**

- 3.1 The Director of Governance and Policy confirmed that all those items requiring approval in papers circulated for the cancelled 2 April meeting had been approved by all governors through written resolutions.
- 3.2 **Governors approved the minutes of the Strategic session on 12 June 2020.**

## **4 FEEDBACK FROM RECENT COMMITTEE MEETINGS**

- 4.1 The Chair invited Committee Chairs to feed back on recent meetings. The following points were highlighted:

- 4.1.1 CSQI had met twice and was receiving updates on Apprenticeships at every meeting. The QAR had been reviewed. Overall achievement was above the national average but 16-18 rates were still worryingly below and Apprenticeship timely were also still below national rates. Data for 2019/20 would not be published and so the 2018/19 results would be the most recent set of published data.
- 4.1.2 In response to **questions** about what action the Committee was taking in relation to the 16-18 rates, it was explained that the Committee had asked for more information and had looked at the best and worst performing courses for 16-18 year olds; this showed that there was no single reason for the underperformance. Reports from individual Curriculum Areas were coming to each meeting and regular monitoring would continue. The Principal reported that there looked to be improvements in achievement for 2019/20; although data would not be published there would be comparative data which the College would use.
- 4.1.3 The F&GP had met twice and had had been kept up to date with plans and reviewed the financial reforecasts including the impact of COVID-19 and the budget. The financial objectives had been discussed and it was felt not necessary to change them although it was likely that the College would not meet them all for next year. An update had been given on HR issues including the impact of the current situation; turnover had reduced.
- 4.1.4 The Search and Governance Committee meeting had been cancelled.
- 4.1.5 The Audit Committee had met; substantive items were on the Corporation agenda.

## 4.2 **Governors noted feedback from recent committee meetings.**

## 5 **GOVERNOR ONLINE LEARNING REPORTS**

- 5.1 The Chair and Chair of CSQI reported on recent online learning 'visits.' The following points were highlighted.
  - 5.1.1 Three online sessions had been viewed during College closure in business and travel and tourism.
  - 5.1.2 The tutor who had been viewed was very impressive and was an experienced practitioner. Students were grateful the College was keeping in touch online. Since online delivery was a rapidly developing area and one which would continue into the following year, it might be necessary to look at developing some best practice criteria.
  - 5.1.3 Some students did not have access to the necessary IT equipment; it was felt to be easier for higher level students to engage online than lower level courses.
  - 5.1.4 Another group viewed should have been doing site visits so the online session had to be arranged at short notice but the adaptability shown was impressive. The intended group work was also affected by the move to online. With more time should be easier to plan alternative sessions but the challenge would be to ensure all students were engaged and able to participate.

5.2 **Governors noted the online learning reports.**

6 **COVID-19 UPDATE**

6.1 The Principal gave an update on the COVID-19 pandemic and the implications for the College. The following points were highlighted.

- 6.1.1 Following the short period of re-opening on 24 June, the College was now completely closed following the second lockdown and would remain closed until at least 18 July when the position was being reviewed by Government.
- 6.1.2 Detailed guidance had been issued by the DfE but this was not entirely appropriate for a large general FE college and included contradictory information.
- 6.1.3 Planning for September was taking place on the basis of social distancing of 1 metre plus. The resource utilisation team was looking at what this would mean for timetabling and this would help inform decisions about how much teaching could be onsite. The College's USP was its practical learning and so efforts would be made to get students into College wherever possible.

6.2 **Governors asked the following questions.**

- 6.2.1 **The intention had been to prioritise completion of assessments when the College re-opened; had these been achieved before the second lockdown?** The College had only been open for less than a week before the second lockdown. There were still around 500 construction and motor vehicle students who needed to complete assessments but teaching staff were now on contractual leave and so it was unlikely they could be completed before September. Some staff had agreed to come back in over the holiday but it would be challenging as students needed several weeks to complete their assessments. There were also issues with apprentices; if their contract ended over the summer they would not be able to complete their assessments. The College was working with the ESFA to try to change the policy to enable them to be assessed after their contract ended. The deadline for adapted assessments was 30 September; again an extension was being sought because it was unlikely that date could be met.
- 6.2.2 **How would the decision about how much onsite and offsite learning be made and what was the risk appetite associated with offering onsite provision?** The decision would be informed by the DfE guidance but the College would need to decide how it could get people back in safely. The guidance indicated face coverings were not recommended but that was a level of risk staff were not happy with and the College would need to decide what it was comfortable with, particularly given the local situation.

6.3 **Governors noted the update.**

## **7 FINANCE REPORT (PERIOD 10) AND SUMMER TERM REFORECAST**

7.1 The Deputy Principal presented the finance report (period 10) and summer term reforecast which had been discussed in detail by the F&GP. The following points were highlighted.

- 7.1.1 The Period 10 accounts represented the College's performance following two months of closure and reflected the financial position at 31 May.
- 7.1.2 The year to date result was an operating surplus after restructuring costs of £1,753k compared to the budgeted surplus of £1,652k.
- 7.1.3 As there was no reconciliation for 2019/20, the College's AEB allocation for the year was secure although there was a small risk that the College might fall below the 97% threshold. However, the College had been on track to exceed its allocation (108%) beyond the fundable 103% with plans to recruit more ESOL students and further work with Job Centre Plus consistent with the previous year.
- 7.1.4 Apprenticeship income had fallen behind target. The predicted income at the spring reforecast was £5.0 million against an original budget of £5.5 million. However, the review undertaken as part of the summer reforecast indicated that income could fall by a further £200k although this was felt to be a prudent assumption.
- 7.1.5 Overall HE income was forecast to be below target by a further £112k but there would be savings in partner costs.
- 7.1.6 A summer reforecast had been undertaken. Overall the expected total comprehensive Income after restructuring costs had increased by £102k to £602k.
- 7.1.7 The College continued to meet its bank covenants and maintain its financial health as 'Good' after undertaking the summer reforecast.
- 7.1.8 In the short to medium term, the College had reasonable cash balances for the end of the academic year. Based on the planning assumptions for 2020/21 the College would face some pressure on cashflow in March 2021 and March 2022 when the profile from the Agency declined. However, capital decisions would also have an impact.
- 7.1.9 The total income loss as a result of COVID-19 and the College closure was £1,948k. Pay and non-pay savings would offset this creating a net negative impact of £441k before the furlough claim. Additional costs associated with preparing the College for re-opening were in the region of £155k. If COVID-19 had not happened, the College would have been close to achieving a £1million surplus.
- 7.1.10 There were further changes as a result of the second lockdown with some of the planned non-pay expenditure for maintenance costs having to be deferred to the following year.

7.2 The Chair of F&GP **confirmed** that the papers had been considered in detail at the Committee. The forecast looked better than planned. **It was asked whether the College was still on track to achieve what was set out in the reforecast given the second lockdown.** The position might be even more favourable because of some non-pay savings but income remained at risk and

there would be some movement of expenditure into the following year.

- 7.3 **Governors noted the period 10 finance report, accepted the recommendation of the F&GP committee and approved the summer term reforecast.**

*Item 8 taken at end of meeting – all staff left the meeting for this item*

## **8 SENIOR POSTHOLDER REMUNERATION**

- 8.1 The Director of HR presented the annual report on senior post holder remuneration from the F&GP. The following points were highlighted.
- 8.1.1 All salary changes had been discussed by F&GP and then agreed by Corporation in December 2019.
- 8.1.2 The multiple of the College average salary in respect of the Principal's salary remained exactly the same as last year.
- 8.2 **Governors asked whether the Principal's pay as a multiple of the College's average pay compared well with other colleges, and whether there should be a target.** It was confirmed that the College's multiple of 6.1 was similar to many other colleges. However, a college's employment strategy impacted on the multiple; if a college employed staff like cleaners and catering staff, this would reduce the median pay of the College but increase the multiple. The Director of HR's view was that the actual salary of the Principal, compared to the salaries of Principals in other similarly sized colleges, was a better means of monitoring the Principal's salary. In terms of a target, the issue was, firstly, determining what it should be, and secondly the difficulty in achieving any sort of reduction in the multiple ratio, if that was the aim, when pay awards in the current economic environment were minimal and the Principal's salary was contractual. At the time a new Principal was appointed, then the salary and hence the multiple could be more easily re-set if governors wished.
- 8.3 **Governors received the annual report on senior post holder remuneration.**
- 8.4 The Director of HR presented the senior post holder salary framework. The following points were highlighted.
- 8.4.1 No changes were proposed to the framework from the previous year.
- 8.5 **Governors approved the senior postholder salary framework for 2020/21.**

## **9 PROGRESS REPORT ON OPERATING STATEMENT 2019/20**

- 9.1 The Principal presented a progress report on the Operating Statement for 2019/20. The following points were highlighted.
- 9.1.1 Areas of good progress and areas of concern were highlighted within the paper. All of these, particularly the areas of concern which in the

- main arose from the pandemic and lockdown, had been reported previously and would need to be monitored into the following year.
- 9.1.2 Although retention was rated as amber, since lockdown retention had actually improved although the difficulties of tracking attendance and engagement were noted.

9.2 **Governors noted the progress report on the Operating statement for 2019/20.**

**10 BUDGET FOR 2020/21 AND FINANCIAL PLAN 2021/22**

10.1 The Deputy Principal presented Budget for 2020/21 and Financial Plan for 2021/22. The following points were highlighted.

- 10.1.1 The financial plan for 2020/21 to 2021/22 reflected discussion at the Strategic Session on 12 June. The sensitivity analysis highlighted the key stress points that would impact on the College's bank covenants, financial health and cashflow.
- 10.1.2 The Agency required the budget for 2020/21 to be submitted by 31 July 2020 and would be requesting an updated submission by the end of November 2020 following recruitment for 2020/21.
- 10.1.3 The budget set out a planned £0.5 million deficit based on the assumptions.
- 10.1.4 The financial objectives included achievement of Good financial health but under the plan, the College would move into Requires Improvement although with a high point score of 170. It was therefore highlighted that in achieving the budget, the College would not meet all of its financial objectives.
- 10.1.5 The assumptions included reductions in income for AEB (10%), apprenticeships reduced to £4.6 million, HE and fees (10%). No AEB subcontracting was included.
- 10.1.6 Pay awards and the pay progression were included. Efficiencies might be required; although no decisions had been made about how these would be achieved, reviewing the pay awards and pay progression or restructuring might need to be considered.
- 10.1.7 Even with a £0.5 million deficit, bank covenants would be met. The T level capital project had been submitted and a bid had also been made to the LLEP for a 25% contribution to the project.
- 10.1.8 The stress tests applied to the budget were described. If the overall budget deficit position moved from £500k to £1 million, then the College would breach one of its bank covenants. However, action would be taken before this position was reached.
- 10.1.9 Written confirmation had now been received that the bank would carve out the COVID-19 associated impacts from consideration of the bank covenants.

10.2 Governors asked a number of **questions** including:

- 10.2.1 **When would the decision about the pay award be made.** In December, once recruitment was known.

- 10.2.2 **When would a decision be made about whether to proceed with the T level capital project?** This would also be once recruitment had taken place and when it was known whether the application and also the bid to the LLEP for funding had been successful.
- 10.2.3 **How long the bank would exclude COVID-19 impacts?** This was for at least 2020/21 but discussions would be ongoing.
- 10.2.4 **What the impacts of the recent announcements including the £1k furlough bonus would be.** It was hard to evaluate at this stage because there was little detail. These would need to be factored in once the detail had been received.
- 10.2.5 **Whether it was worth gaining the views of staff and unions on the pay options; when could options be considered?** Unions would be unlikely to have a positive view of any decisions which affected pay awards. The AoC negotiated at national level; although discussions for this year had paused, anecdotally, it was likely to signal a 0% award for this year. Unions would be advised of the financial position through the usual discussions. Options would be brought forward once the autumn reforecast had been completed.
- 10.2.6 **Whether there was any intelligence from subcontractors about their positions.** This was an area the ESFA was nervous about nationally. The College would not be subcontracting any FE provision next year; some HE provision would continue although at a reduced level. The College was conscious of the potential impact on partners and was in discussion with partners.
- 10.2.7 **Given the complexity of the issues at the moment, would extra review points be helpful?** An additional meeting had been arranged for September and further meetings would be called if required.

### 10.3 **Governors:**

- 10.3.1 **approved the financial plan for submission to the ESFA**
- 10.3.2 **approved the 2020/21 budgeted income and expenditure account, balance sheet and cash flow contained within the plan**
- 10.3.3 **approved the capital expenditure budget for 2020/21**
- 10.3.4 **noted the 2021/22 financial plan and its assumptions.**

## 11 **CURRICULUM DELIVERY PLAN 2020/21**

- 11.1 The Principal presented the Curriculum Delivery Plan for 2020/21. The following points were highlighted.

- 11.1.1 The plan had been discussed by CSQI. Most of the planning had taken place before lockdown although the plan did include the assumptions associated with COVID-19 impacts highlighted in the financial plan. The plan represented the best attempts to plan for next year with all the information available at this time.
- 11.1.2 Curriculum Areas had tried to roll forward as much activity as possible but assuming some teaching would move online. Some of the recent announcements might help although they might also displace some activity; this would need to be reviewed.
- 11.1.3 The detail on apprenticeship income was still missing. The complexities



and difficulties associated with planning apprenticeships were explained including the issues with delayed assessments and the fact that many employers were unlikely to recruit new apprentices until into 2021. A learner by learner analysis had been undertaken to identify those who would be carrying over into 2020/21 and the associated funding implications.

11.1.4 The overall delivery plan would need to be even more flexible than usual to reflect the changing and as yet unknown position in September.

**11.2 Governors approved the Curriculum Delivery Plan for 2020/21.**

## **12 PARTNERSHIPS REPORT**

12.1 The Deputy Principal presented the Partnerships Report. The following points were highlighted.

12.1.1 In 2019/20 partnership delivery had been lower than planned due to the COVID-19 pandemic although there were no identified quality issues.

12.1.2 For 2020/21 the intention was not to subcontract any AEB at this stage although this might need to be reviewed taking into account recruitment and the need to widen participation.

12.1.3 HE partners had been advised of the intention not to tender for new starts for 2020/21 but to honour existing commitments to continuing and progressing students. For one partner, this presented risks as the College was its main partner. It was therefore proposed to provide an opportunity to tender for a reduced contract for new starts in 2020/21 but to phase out the subcontracted delivery over the next two years. The College would pay partners 75% of the funding for the new starts.

12.1.4 The partnership work with the National Space Centre was delayed because of the pandemic.

**12.2 Governors:**

12.2.1 **noted the report**

12.2.2 **noted the contract variation as outlined in paragraph 3.12**

12.2.3 **approved the proposed overall contract values for 2020/21 including an additional £420k funding for 2020/21 for new starts.**

## **13 OPERATING STATEMENT 2020/21**

13.1 The Principal presented the Operating Statement for 2020/21. The following points were highlighted.

13.1.1 The Operating Statement followed the same format as in previous years, linking to the aims and objectives set out in the Strategic Plan. Risks were identified.

13.1.2 Additional actions had been added to reflect the current position where this was necessary, such as adaptations and additional work to support online teaching and learning.

13.1.3 Reports on progress would be brought to the Corporation in the usual way.

13.2 **Governors approved the Operating Statement for 2020/21.**

#### **14 RISK MANAGEMENT STRATEGY 2020/21**

14.1 The Vice Chair of the Audit Committee presented the Risk Management Strategy for 2020/21. The following points were highlighted.

14.1.1 The Risk Management Strategy had been considered by the Audit Committee. There were lots of red (high) risks but this was felt to be a realistic assessment of the position.

14.1.2 The strategy informed the audit plan for the year including internal and external audit and other external reviews which were set out in the assurance map. The risks were cross-referred to the Operating Statement to ensure that the risks associated with the main activities were identified.

14.1.3 COVID-19 related risks had been incorporated into the strategy for 2020/21 rather than standing alone as they would influence the whole of the College's operation.

14.2 **Governors commented that the College's ability to deal with unforeseen issues like the pandemic showed its resilience and strength as an organisation.**

14.3 **Governors approved the Risk Management Strategy for 2020/21.**

#### **15 CORPORATION WORKPLAN**

15.1 The Director of Governance and Policy presented the Corporation workplan. The following points were highlighted.

15.1.1 The workplan followed a similar format to previous years but additional meetings had been added including a September meeting to provide an update on enrolment and the impact of COVID-19. Further meetings would be called if required and additional agenda items would be added as necessary.

15.2 **Governors approved the Corporation Workplan for 2020/21.**

#### **16 FE COMMISSIONER'S LETTER**

16.1 **Governors received and noted the paper.**

#### **17 GOVERNOR APPOINTMENTS**

17.1 **Governors received and noted the paper.**

#### **18 ITEM FROM AUDIT COMMITTEE: RISK UPDATE**

18.1 **Governors received and noted the paper.**

## **19 DATES OF NEXT MEETINGS**

- 17 September 2020
- 28 October 2020
- 26 November 2020 – 5pm (Special meeting TBC)
- 16 December 2020
- 21 January 2021 (TBC)
- 10 March 2021
- 11-12 June 2021 (Away Day)
- 14 July 2021

## **20 ANY OTHER BUSINESS**

- 20.1 The Chair noted that this would be Rod Wood's last meeting. He was thanked for his significant contribution to the College and wished well in his retirement.
- 20.2 It was also noted that this would also be the two student governors' last meeting. Habiba Rashid thanked the College for the opportunity of being a student governor; governors thanked her and Naz Nurani for their contributions and wished them well.