



AGENDA
REFERENCE

A

CORPORATION/COMMITTEE PAPER

Meeting of the Corporation

9 July 2020

<i>TITLE</i>	Minutes of the previous meeting held on 12 June 2020
---------------------	--

<i>PURPOSE</i>	To receive, agree and approve the minutes of the previous meeting held on 12 June 2020
-----------------------	--

<i>RECOMMENDATION</i>	Governors are requested to note the minutes and agree their accuracy
------------------------------	--

<i>No. of pages in main paper</i>	8
<i>Appendices/Annexes</i>	None
<i>Financial Implications</i>	None
<i>Risk Implications</i>	Failure to follow agreed and proper practices
<i>Author</i>	Louise Hazel

MINUTES OF A MEETING OF THE BOARD OF LEICESTER COLLEGE CORPORATION – STRATEGIC SESSION



HELD ON 12 JUNE 2020 VIA TEAMS

Present:	Jonathan Kerry (Chair) John Allen Danielle Gillett Verity Hancock Brigitte Heller Andrew Hind	Zubair Limbada Simon Meakin Louisa Poole Mandeep Singh Caroline Tote Tom Wilson
In Attendance:	Louise Hazel Shabir Ismail Kully Sandhu Tina Thorpe Rod Wood	Director of Governance and Policy Deputy Principal Vice Principal Vice Principal Director of HR

1 DECLARATIONS OF INTERESTS

- 1.1 There were no declarations of interest.

2 APOLOGIES FOR ABSENCE

- 2.1 Apologies for absence were received from Tim Gray, Chan Kataria, Naz Nurani and Habiba Rashid.

3 COVID-19 UPDATE

- 3.1 The Principal gave an update on the COVID-19 pandemic and the implications for the College. The following points were highlighted.
- 3.1.1 Things were changing very rapidly but the view of the ESFA was that the College was managing very well. If the pandemic and subsequent closure had happened earlier in the year, it was likely that the impact would have been more difficult to deal with.
 - 3.1.2 Teaching, learning and assessment had continued online wherever possible. The summer 2020 exam series was cancelled and students due to sit the exams were being awarded a grade based on assessments. The amount of work involved in calculating grades for this year's students had been immense and unprecedented in terms of the pressure on staff. A very robust process had been used and was being signed off at QA meetings. There might be some anomalies but the overall process and level of scrutiny was felt to be sound. Although the

results could not be published, there were some real improvements in outcomes.

- 3.1.3 A survey of students conducted during lockdown indicated that the majority had access to IT equipment to enable them to continue learning, although there was some digital poverty. Assuming online teaching and learning continued, the College would need to make sure students were equipped to make the most of that.
- 3.1.4 The Government remained committed to T levels. The College was in the second phase of delivery and would start to offer them in September 2021. The aim was that College would be a market leader in terms of T levels.
- 3.1.5 Around 200 staff had been furloughed although some were now coming off furlough. No queries had been raised with the College's job retention scheme claims; the monthly claim was £159k.
- 3.1.6 The College had not been asked to make its buildings available to support the pandemic action although the Principal was keeping contact with the City Council.
- 3.1.7 A series of risks associated with COVID-19 had been identified and discussed by the Audit Committee.

3.2 **Governors asked the following questions.**

- 3.2.1 **What the risk to funding for 2020/21 was likely to be.** This would be covered later in the agenda.
- 3.2.2 **What the expected level of student engagement would normally be at this point in the year.** Retention was still generally over 90% at this point in the year. There would be variability by course but this was not quite the same as engagement and so it was quite difficult to make a comparison. Guidance from some awarding bodies indicating that students did not need to submit further work had not helped with engagement.

3.3 **Governors noted the update. They commented that there had been a huge amount of work in a very short space of time and thanked staff for their efforts.**

4 **COLLEGE RE-OPENING PLAN**

- 4.1 The Principal gave an update on the College's plans for re-opening. The following points were highlighted.
 - 4.1.1 Although the Government had issued guidance and indicated that colleges should start re-opening from 15 June, it was a decision for governors.
 - 4.1.2 Discussions had been taking place with unions because their support would be essential to a successful re-opening.
 - 4.1.3 The recommendation was that the College would adopt a phased approach re-opening with the first phase starting on 24 June. This would allow time for some reconfiguration of the estate to take place and risk assessments to be completed.

- 4.1.4 In the first phase, the College would only be open to students and apprentices required to complete a practical or written assessment, under strict conditions. There would also be provision for a very small number of students who were vulnerable as a result of safeguarding issues.
- 4.1.5 The majority of staff would continue to work from home. Only staff who were needed to manage, support and deliver assessments, or who had essential work to undertake in support areas which could not be done from home, would be expected to come into College. Anyone who was clinically vulnerable should not come into College.
- 4.1.6 Only Freeman's Park and Abbey Park campuses would be open, with St Margaret's open for end point assessments only. No outreach centres would be open.
- 4.1.7 Deep cleans of all buildings were being undertaken. In addition, the Estates team had installed screens at visitor/information desks and hand sanitisers around campuses, with one-way systems created to allow for social distancing. Classrooms had been assessed and capacity in rooms has been reduced to ensure appropriate social distancing measures. Refectories would not be open during Phase 1.
- 4.1.8 Unions were comfortable with the proposals. All staff had been contacted and asked to identify any health or other issues which needed to be considered.
- 4.1.9 The plans for re-opening would be kept under review in light of the infection rate and further Government guidance.
- 4.1.10 The action plan was a live document and would be reviewed regularly.

4.2 **Governors asked the following questions.**

- 4.2.1 **The plan looked to be thorough and well thought out. How could governors contribute further?** The Chair and Chairs of Committees had been invited to join SLT meetings to monitor progress with the re-opening plans.
- 4.2.2 **How were areas across the College involved in the re-opening plan and how was feedback being gathered?** The Health and Safety Committee was meeting on a weekly basis as was a Re-opening Working Group; meetings with unions were taking place every fortnight and weekly meetings with students had also been set up. All areas reported in to an SLT member and so any further issues could be brought forward for discussion at SLT. The Principal and Deputy Principal were also involved in regional and national meetings and could gather any further feedback or good practice from the sector.
- 4.2.3 **What feedback had been received from students about the plans?** The main concerns were about the estate. They had highlighted some issues about face coverings, use of lifts and movement around the sites. The meetings were being extended to include students from specific curriculum areas to look at issues relating to them.
- 4.2.4 **What was their view about which students would be back?** The exact plans had not been confirmed to them although they supported the intention to focus on assessments.
- 4.2.5 **The proposal to start re-opening on 24 June looked sensible. What**

reassurance would be given to those people coming back in?

There would be information provided. Some staff were concerned that students would not adhere to the rules so that would be explained to students what had been done, what the expectations were and the need to take responsibility for their actions.

4.3 Governors approved the plans for re-opening.

5 PLANNING FOR 2020/21

5.1 The Principal gave an update on plans for 2020/21. The following points were highlighted.

- 5.1.1 Recruitment and enrolment would be moving online. A series of #DiscoverLC events were being run this week to promote the College and encourage potential students to apply. Enrolment would be online for the majority of students although some face to face opportunities would also be arranged.
- 5.1.2 16-18 applications looked to be similar to the previous year. It was difficult to judge what adult recruitment would be like; it was hard to promote courses because it was not yet known when students might be allowed back. There might be a lot of people out of work and wanting to come back into learning although this was also hard to predict. A different approach and an adapted offer might be needed.
- 5.1.3 It was clear that some major employers would not be recruiting apprentices and some would be delaying until January 2021; again, it was difficult to predict but there would be a reduction in apprenticeships. There was currently a healthy carry in of numbers for next year although once the furlough scheme ended it was possible that some would lose their jobs.

5.2 Governors asked the following questions.

- 5.2.1 **How subcontractors fitted into the plans for next year; given that they might be in a precarious situation, should the College be moving away from subcontracting?** The intention was to reduce subcontracted delivery in a way that was manageable but it was important, in doing so, not to create the very situation that was a cause for concern and destabilise the subcontractors.
- 5.2.2 **Should the worst happen and a provider failed in year, could the College pick up the students?** The College would have to pick up the liability and would need to put measures in place to manage this.
- 5.2.3 **Was there any strategic discussion taking place about the local education eco-system?** There was nothing currently although Jobcentre Plus was gearing up for an increase in the number of unemployed people. The relationship with the DWP was being maintained and some options for future work including more sector based work academies were being developed.

5.3 The Vice Principals outlined the approach to teaching, learning and

assessment for 2020/21. The following points were highlighted.

- 5.3.1 A range of models were being developed for different Curriculum Areas and different levels of study. Some sessions would need to be face to face but some could continue online. For Business, Enterprise and Computing, 50-60% could be delivered online. Attendance on site for the remainder could be rotated to reduce numbers on site and enable social distancing.
 - 5.3.2 For Maths and English there would be three models: face to face, blended and online. It might be necessary to put in place a bridging course for students since some might not have been in learning for some time and might need to catch up.
 - 5.3.3 For Hair and Beauty, the majority (60%) would need to be face to face to accommodate practical teaching. For Creative and Performing Arts, around 80% would need to be on site.
 - 5.3.4 For ESOL, 80% would need to be face to face. Some Supported Learning teaching could continue remotely but for students with profound and multiple learning difficulties, this would be harder.
 - 5.3.5 Construction and Engineering were complex given the extent of practical teaching needed. There would also be some overlap with completing delayed assessments for students from 2019/20.
 - 5.3.6 Apprenticeship reviews were now being conducted online and all apprentices could access online programmes and reviews in 2020/21.
- 5.4 **Governors had viewed some of the online teaching sessions. It was asked whether all teachers were able to deliver on line and what training was needed to make sure everyone was as good as the members of staff whose session had been seen?** There was some outstanding practice but it was mixed across the College. The Curriculum Development Coaches had been working with individuals to support their training needs. Some staff had been particularly creative about how they engaged with students. There would be an ongoing need to support staff to deliver online.
- 5.5 The Deputy Principal gave a presentation on the funding and financial position for 2020/21. The following points were highlighted.
- 5.5.1 The 2019/20 Period 10 Management Accounts and Summer Reforecast had been completed. These showed an improvement on the financial position with a forecast surplus of £602k. The accounts and reforecast included the impacts of COVID-19 and College closure. Overall, there were negative impacts of £441k; when set against the job retention claim, the overall impact was a positive net impact of £102k. This was a slightly worse position than had been anticipated before the College closure. The financial health score was good and bank covenants would be met.
 - 5.5.2 The initial draft Budget for 2020/21 and key assumptions were outlined. Before COVID-19 it had been planned to achieve a surplus of £501k. Assumptions now included reductions in income for AEB, Apprenticeships, HE, Loans and Fees, full cost and other income totalling £2,311k. Savings of Pay (£700k) and non-pay (£600k) would be

- needed. The net impact would be £1,011k resulting in a deficit of £511k.
- 5.5.3 On this basis, financial health would move to Requires Improvement, bank covenants would be met and cash balances would be at £5.5m. The impacts of including the T level projects costs in the budget were outlined.
 - 5.5.4 A series of stress tests to the draft budget were described, along with the associated impacts on financial health, bank covenants, and the cash position.
 - 5.5.5 Given the potential impacts of the cash position which would be at its lowest in March 2021, particularly taking into account the additional spend on the T level project, discussions were taking place with the bank over a credit revolving facility. A proposed facility of £3m was being explored which would be treated as a long term liability, over three years.

5.6 Governors asked the following questions.

- 5.6.1 **Since many colleges would be facing financial pressures, was it likely that financial scorecards and measures might be less relevant?** The Deputy Principal was part of weekly meetings with the ESFA and this point had been raised. It might be that they would be used less as a tool for intervention. The Agency and the FE Commissioner were likely to be focussing their attention on those colleges in more severe financial positions. Moving back into Requires Improvement would not necessarily be a bad thing and would reflect the reality of the position.
- 5.6.2 **How long would the bank continue to take the approach of treating COVID-19 impacts as exceptional items?** This was likely to be for 2019/20 and 2020/21. No policy had been confirmed centrally but the Account Manager had indicated he would confirm this in writing.
- 5.6.3 **Whether any redundancies or restructures had been factored into the pay savings.** For 2020/21 none had been built in because the savings required were relatively small. However, if recruitment collapsed it would be necessary to act in year to find efficiencies.
- 5.6.4 **Whether there were any additional covenants associated with the credit revolving facility.** This would need to be discussed with the bank. The implications for the covenants would need to be considered. The debt service cover was the most sensitive.
- 5.6.5 **Could the College access the COVID-19 financial support facility?** Initially this looked good although had a much higher interest margin (3.5%) and would require the College to demonstrate it was running out of cash. The credit facility seemed a better option.
- 5.6.6 **If there was less face to face teaching would there be an impact on the College's estate and capital spend with fewer buildings but more need for IT?** This would need to be considered and the capital programme used smartly. There would be a need for more IT equipment but space was needed to enable social distancing. There was an opportunity to look at different modes of delivery which might require less on-site teaching.

- 5.7 **Governors noted the assumptions and sensitivities within the draft budget and the T level capital project implications. Governors noted and approved the intention to explore the credit revolving facility, and requested that a formal proposal be brought to F&GP.**
- 5.8 The Deputy Principal presented a paper outlining the plans for capital investment. The following points were highlighted.
- 5.8.1 The College had successfully applied to deliver T levels from 2021/22. Detailed work had been done to plan for the introduction of the qualifications and the College saw T Levels as an important part of its future technical and professional offer.
- 5.8.2 Capital funding was available to support the development of the teaching environment for T levels. The College had investigated capital refurbishment costs for C and D Blocks at the Abbey Park Campus as Phase 1 of a project. It had already been granted £20k to support a feasibility survey undertaken by Moss for the C and D Block project. This project would predominantly develop accommodation for the digital, education and science routes.
- 5.8.3 The College could apply for a maximum grant of £1.8m. This would require a match funding of £1.8m assuming a 50% contribution to meet the project cost of £3.6m.
- 5.8.4 Given the financial position of the College following COVID-19, the potential to match fund placed additional pressures on the College's cash position, particularly in March 2021. However, this was an opportunity to secure grant funding to make important and strategic improvements to the College's estate which would also address known accommodation improvement issues. If the College was not able to access the grants, it might not be able to deliver T levels and would lose students.
- 5.8.5 Further projects would be explored to support other routes notably Construction and Engineering.
- 5.9 **Governors commented that if the College wanted to maintain its status in the area it should take the opportunity to apply for a large grant to support the development of T levels and that the identified risks were worth taking.**
- 5.10 **Governors noted the information presented, agreed in principle to the T level capital project and to an application being made for the project but noted that they would want to make a final decision about whether the project went ahead in the autumn.**

6 DATE OF NEXT MEETING

- 9 July

7 ANY OTHER BUSINESS

- 7.1 It was **asked** whether there was any more information on what would be in the

White Paper. This was not yet known although the AoC was having discussions with the Department for Education. The white paper was expected some time in the autumn.