

**MINUTES OF A MEETING OF THE BOARD OF
LEICESTER COLLEGE CORPORATION
HELD ON 6 JULY 2022**



Present:	Jonathan Kerry (Chair) Zoe Allman Lisa Armitage* Shaun Curtis	Danielle Gillett Anne Frost* Verity Hancock Ed Marsh
In Attendance:	Louise Hazel Shabir Ismail Debi Donnarumma Kully Sandhu Della Sewell Jody Kerrod	Director of Governance and Policy Deputy Principal Vice Principal Vice Principal Director of HR Quality Development Manager (item 6)

*Joined meeting online via Teams

1 DECLARATIONS OF INTERESTS

- 1.1 Staff governors and members of the Senior Leadership Team (SLT) declared an interest in item 3. Zoe Allman declared an interest in item 9.2. Verity Hancock declared an interest in item 9.5.

2 APOLOGIES FOR ABSENCE

- 2.1 Apologies for absence were received from John Allen, Zubair Limbada, Louisa Poole, Harmeet Kaur, Jai Sharda, Caroline Tote and Tom Wilson. Akith Maluge and Chan Kataria were absent.

3 STAFF PAY - CONFIDENTIAL

Verity Hancock, Lisa Armitage, Shaun Curtis, Debi Donnarumma, Kully Sandhu, Shabir Ismail and Louise Hazel joined the meeting.

4 MINUTES OF THE LAST MEETING AND MATTERS ARISING

- 4.1 **Governors received and approved the minutes of the meeting on 16 March 2022.**
- 4.2 **Governors received and approved the confidential minutes of the meeting on 16 March 2022.**

- 4.3 **Governors received and approved the notes of the away day on 10-11 June 2022.**

5 FEEDBACK FROM RECENT COMMITTEE MEETINGS

- 5.1 The Chair invited Committee Chairs to provide feedback on recent meetings. The following points were highlighted:
- 5.1.1 CSQI had carried out a good interrogation of predicted achievement data which was looking reassuring. It had reviewed the Curriculum Strategies, Quality Improvement Strategy and the Curriculum Delivery Plan and recommended them to the Board for approval. The Director of BECT had given a helpful presentation on the work of the area outlining the context and offer and providing many good news stories.
 - 5.1.2 F&GP had met twice. The most recent meeting had looked at the 2022/23 budget and particularly concentrated on the risks and assumptions within the budget. The pay proposals had also been discussed and recommendations to Corporation agreed.
 - 5.1.3 The Student Liaison Committee had highlighted some inconsistencies in some areas of students' experience. Some students were less happy than was the case in previous years although some were representing their own personal views rather than those of their courses. A number had found it hard to remember some of the information that had been presented to them and there was work to do to help them articulate the views of their groups next year. Where issues had been raised, they were responded to promptly.
 - 5.1.4 The Search and Governance Committee had met twice and had considered the recruitment and selection of new governors. Three new governors had now been appointed. Committee membership had been reviewed and the new governors would be appointed to fill vacancies on the committees.
 - 5.1.5 The Audit Committee had discussed an apprenticeships action plan which showed there was progress against the previous audit actions but the Committee requested ongoing updates and a further audit in 2022/23 as it remained a high risk area. The internal audit strategy had been discussed as had the external audit plan and a proposal around the reappointment of external auditors. A report on two whistleblowing incidents had been provided.
- 5.2 The Principal reported that the results of the National Student Survey (NSS) had just been published and were positive with the College at or above the mean for most questions and showing improvement on the previous year.

- 5.3 **Governors noted feedback from recent committee meetings.**

6 STUDENT SURVEY

- 6.1 The Quality Development Manager presented the results of the student surveys. The following points were highlighted:
- 6.1.1 The student survey was conducted over a period of six weeks, three

weeks longer than the previous year to encourage an increased return rate. There were different surveys allowing questions to be tailored to different groups.

- 6.1.2 The response rate had gone up 12% to 57%.
- 6.1.3 The overall satisfaction rate was 89%, 4% higher than the previous two academic years.
- 6.1.4 Part time students were less satisfied than full time students and apprentices.
- 6.1.5 Students felt most satisfied with tutors knowing their subject well, being able to keep themselves safe online and not having experienced bullying.
- 6.1.6 Students felt least satisfied with using Moodle to support learning, the College encouraging them to keep fit and healthy and that the course was well organised and running smoothly.
- 6.1.7 Indian students were the most satisfied (92%) and White/Black Caribbean students were the least satisfied group (82%). The Head of EDI would be looking at what further work might be needed with these students.
- 6.1.8 A series of recommended further action was outlined. This would include further work by the Director of IT and Head of Personal Development and actions plans and student consultations in those programme areas which had results below the College average.

Ed Marsh joined the meeting.

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

- 6.2.1 **It would be useful to know the questions in the student survey.** They would be provided.
- 6.2.2 **How long would it take to complete the survey; would that deter some people from completing it?** The number of questions had been reduced. Curriculum areas were asked to facilitate the survey during a discussion with students; this usually took around an hour.
- 6.2.3 **The number of responses still provided a good base and it was possible to get a lot of information from that. The improvement in apprenticeships was encouraging.** Acknowledged.
- 6.2.4 **The levels of satisfaction with IT and resources were lower.** This was noted and work was underway over the summer to create new IT suites and labs with sustainability in mind.
- 6.2.5 **The challenge would be to keep up with expectations and technology.** Agreed; the Director of IT was trying to future proof the College in buying high specification equipment.
- 6.2.6 **Did most colleges have similar surveys?** Most did; some ran entry and exit surveys to reduce the number of questions asked in any survey. The tension was to collect meaningful data while keeping the surveys manageable. The College would continue to work with other colleges to learn from good practice elsewhere.
- 6.2.7 **Overall, the results looked pretty good; how far down was it possible to drill to identify issues in specific areas in detail?** It was possible to go down to course level and curriculum managers would be doing this and looking at the demographics of the student

responses to see if there were any themes. CAPA and CHSS were consistently lower and although there was a correlation in these areas with the staff culture survey results, there was no correlation with achievement.

6.2.8 **Although the pandemic made it harder, it would be useful to look at trend data.** Three years of data was available.

6.2.9 **It would be important to close the feedback loop to students to show what changes had been made; this would also help drive satisfaction and responses in the future.** Agreed; this would be done including through the consultation groups.

6.3 **Governors noted the results of the student surveys.**

7 STAFF CULTURE SURVEY

7.1 The Director of HR presented the results of the staff culture survey. The following points were highlighted:

7.1.1 The Culture Survey was last conducted in 2018/19.

7.1.2 There was a 55% response rate to the survey, 9% higher than the previous year although this still needed to be higher. There was a very low response from facilities and part-time lecturing staff.

7.1.3 Overall satisfaction was 85% compared to 80% in the previous survey.

7.1.4 Staff felt most positive about knowing who to contact with a concern about a young person or vulnerable adult (98%); knowing who to contact if they were concerned about someone being radicalised (97%); and what to do about reports of bullying (95%). Appraisals leading to positive action was the greatest strength compared to the benchmark (82%).

7.1.5 Staff members felt least satisfied with IT equipment; the College caring about their wellbeing (76%); and senior managers providing clear direction and leadership (73%).

7.1.6 Prompts with the greatest negative gap compared to the benchmark were around communication within departments and senior leaders providing clear leadership and direction. This would be reflected on.

7.1.7 Work was planned to share the results of the survey and to use the results to enhance the College's reputation.

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

7.2.1 **It was good to see the wellbeing responses improving but 24% still did not think the College cared about them. What more could be done on this?** The data would be looked at in more detail. It was notable that if black staff were taken out of the data, positive responses on leadership and direction and overall results improved which suggested that the College was not representing the interests of black staff as well as it might. Pay was also a factor in the responses.

7.2.2 **It was interesting that overall communications had improved but for communication within departments responses were less positive. Was there something about how staff were communicated with?** There had been issues with the visibility of managers and leaders during the pandemic which it was hoped could

now be improved. The challenging environment meant that sometimes decisions were out of senior managers' control and so it was harder to provide direction in a way that people might want. More work was needed and there might be things that could be done differently to further improve communications.

- 7.2.3 **The lower responses for working conditions by lecturers was a surprise particularly given the hybrid working policy. What was behind that?** The question related specifically to IT rather than the wider working environment or resources.

7.3 **Governors noted the results of the staff culture survey.**

8 FINANCE REPORT (PERIOD 10) AND SUMMER TERM REFORECAST

- 8.1 The Deputy Principal presented the finance report (period 10) and summer term reforecast. The following points were highlighted.

- 8.1.1 The year-to-date result was an operating deficit after restructuring costs of £473k compared to the budgeted deficit of £99k.
- 8.1.2 The year to date result was an operating deficit after restructuring costs of £1,675k compared to the budgeted deficit of £1,308k.
- 8.1.3 Student numbers were below target and the College was not expecting to meet its 16-18 target by the end of the year.
- 8.1.4 It would fall short of its AEB allocation and was currently expecting to achieve around 84%. A further reduction of £775k was reflected in the summer reforecast. The impact of COVID-19 was still being felt but the cost of living crisis also meant more people prioritising work over study. The ESFA was holding to the 97% tolerance but it would now claw back the whole underspend up to 100% of the allocation; previously it would have clawed back underspend up to 97%. This meant there was a potential understatement of £300k for the clawback expected.
- 8.1.5 Apprenticeships income was in line with the spring reforecast target of £3.9m, excluding employer incentives. With timely achievement, the budgeted figure should be achieved although end point assessment achievement was outside the College's control.
- 8.1.6 HE income was below the spring forecast target by £39k. This had been adjusted in the summer reforecast.
- 8.1.7 Pay remained a challenge; overtime and PTL costs continued to be monitored carefully. Restructuring costs were likely to be lower than planned.
- 8.1.8 A release of £695k had been included within the reforecast, representing part of the Lennartz creditor, which would now not be payable. This amount represented out of time assessments which could not be raised by the HMRC. The College had received written confirmation from HMRC that this was the case.
- 8.1.9 Following the summer reforecast, the overall total comprehensive income after restructuring costs decreased from a deficit of £957k to a deficit of £1,063k. The EBITDA remained positive.
- 8.1.10 The College remained in the 'requires improvement' financial health rating at 170 points. It continued to meet its bank covenants but this

- was very sensitive to any further adverse movements.
- 8.1.11 A conversation had taken place with the bank to outline the ongoing challenges. The bank remained supportive and would consider further exceptional COVID-19 related items again for 2021/22 although this would probably not continue in 2022/23. The College's cash position provided some comfort.
- 8.2 **The Chair of F&GP commented that this had been discussed in detail at F&GP. It was noted that one of the College's planned mitigations, release of the Lennartz allocation, had now been used. Assumptions were still crystallising but it had been a difficult year which was still affected by the pandemic. The coming year would also be very difficult.**
- 8.3 **Governors noted the period 10 finance report and approved the summer term reforecast.**

9 2022-2025 STRATEGIC PLAN AND 2022/23 PLANS

- 9.1 The Principal presented the College's Strategic Plan, supporting strategies and Curriculum Delivery Plan. The following points were highlighted.
- 9.1.1 The Strategic Plan included the College's new Mission and Values and summarised what was in the supporting strategies as well as the strategic priorities and KPIs discussed at the away day. It was still to be designed by the marketing team.
- 9.1.2 The College strategies had been presented at the away day; minor changes to these had been made following the discussions at the away day.
- 9.1.3 The Curriculum Delivery Plan had been discussed by CSQI and included the delivery targets and main changes and innovations in the offer planned for 2022/23.
- 9.2 In response to a **question** as to whether the duplication in some of the KPIs was deliberate, it was explained that some KPIs were relevant to more than one strategic priority but these would be reviewed in the text of the Strategic Plan to reduce duplication.
- 9.3 **Governors approved the:**
- 9.3.1 **Strategic Plan 2022-2025, subject to minor amendments.**
- 9.3.2 **College strategies**
- 9.3.3 **Curriculum Delivery Plan 2022/23.**
- 9.4 The Deputy Principal presented the Budget for 2022/23 and Financial Plan 2023/24. The following points were highlighted.
- 9.4.1 The planned budget for 2022/23 showed an operating deficit of £434k with a breakeven budget in 2023/24 of £58k. The EBITDA was £1,572k, and 3.5% with financial health at 170 points, Requires Improvement, moving to 180 points and Good financial health in 2023/24, based on the current system.

- 9.4.2 The key risks facing the College were highlighted and included achievement of the planned funding body income levels within the resources allocated due to the economic climate, the allocation process and a complex funding formula. Any further funding or policy changes might also impact adversely on the College.
 - 9.4.3 The College was planning to earn up to 103% of its AEB allocation.
 - 9.4.4 There would continue to be pressures on pay and non-pay including inflation rates. A pay award of 2.5% had been included in the budget.
 - 9.4.5 Achievement of the Apprenticeships budget and the continued engagement of employers continued to be challenging.
 - 9.4.6 There remained a further risk that COVID-19 might return more aggressively leading to further disruption or more students not wanting to engage. The cost of living crisis would also continue to impact on people's willingness to participate in education.
 - 9.4.7 Capital expenditure of £1.2M was assumed in 2022/23. This would be targeted at investing in the student experience. Including government grants, expenditure was planned at £4.5m.
 - 9.4.8 The risks would be managed throughout the year. The budget for 2022/23 relied heavily on the College's ability to achieve its income targets, and increasingly generate income within the resources allocated. If recruitment did not improve, further efficiencies would need to be identified. This would be looked at early in the academic year, after the autumn reforecast.
- 9.5 Governors asked a number of **questions** including:
- 9.5.1 **Was any uplift in 16-19 income expected?** A 1.5% increase had been assumed but this was offset by reductions in catch up funding.
 - 9.5.2 **It would be critical to keep reviewing the identified risks and assumptions within the budget as the year went on.** Agreed.
 - 9.5.3 **If inflation continued to increase, how vulnerable was the College to increased utility and other non-pay costs?** Significant increases in costs for utilities had been factored in but the College remained vulnerable, as did all organisations, to further and ongoing inflationary pressures. It would continue to speak to its suppliers and try to secure value for money. The College had a good track record of controlling non-pay costs.
 - 9.5.4 **Did the risks identified sufficiently identify the potential additional risk in this area?** This would be reviewed.
 - 9.5.5 **What accounted for the increase from £9.6m in 2021/22 AEB to £11.4m in 2022/23?** £9.6m represented the outturn; the plan assumed that the College would increase its AEB delivery to 103% of the allocation.
 - 9.5.6 **Would achievement of that be a significant risk?** It would. Enrolment would be key. There had been some restructuring within ESOL to enable the College to target resource at particular areas of the City where there was identified need and growth potential.
- 9.6 **Governors:**
- 9.6.1 **Approved the financial plan for submission to the ESFA.**

- 9.6.2 **Approved of the 2022/23 budgeted Income and Expenditure Account, Balance Sheet and Cash Flow contained within the plan.**
- 9.6.3 **Approved the Capital Expenditure Budget for 2022/23.**
- 9.6.4 **Noted the 2023/24 financial plan and its assumptions.**

- 9.7 The Deputy Principal then explained that one of the College's loans would mature in October. It was proposed to seek an extension to this up to 2027. A report with proposals would be brought to F&GP in October.

- 9.8 **Governors agreed that the Deputy Principal should start negotiations with the bank over the extension of one of the bank loans to 2027 and requested that the proposal be brought back to F&GP.**

- 9.9 The Principal presented the Partnerships and Projects Report. The following points were highlighted.
 - 9.9.1 The College was not planning to subcontract any activity; this was proving harder to do and the income potential was greater through direct delivery.
 - 9.9.2 The remaining HE subcontracted activity was now being taught out, as was the small apprenticeships subcontract.
 - 9.9.3 Other non-subcontracted partnerships and collaborative projects were highlighted. These were intended to address specific sector and skills needs locally.
 - 9.9.4 The work with the National Space Centre on an innovative immersive reality course continued and it was hoped this course would run for 2022/23.

- 9.10 **Governors commented that the partnerships showed how the College was working to meet local needs and:**
 - 9.10.1 **Approved the Subcontracting and Tendering Policy**
 - 9.10.2 **Approved the Subcontracting Statement for publication.**

- 9.11 The Principal presented the Operating Statement 2022-2025. The following points were highlighted.
 - 9.11.1 This set out the main actions and targets for the next three years against the strategic priorities. It also now showed how each objective would support the College's Values.
 - 9.11.2 The statement would be adapted each year and reports would be made to Corporation on a termly basis.

9.12 Governors approved the Operating Statement 2022-2025

10 APPOINTMENT OF EXTERNAL AUDITORS - CONFIDENTIAL

11 RISK MANAGEMENT STRATEGY 2022/23

- 11.1 The Director of Governance and Policy presented the Risk Management Strategy for 2022/23. The following points were highlighted:

- 16.1.1. The strategy was similar to 2021/22; the overall approach had not been changed significantly and several risks in 2021/22 continued into 2022/23.
- 16.1.2. Detailed Covid-19 risks had been removed, although if circumstances changed could be reinstated. The legacy of Covid-19 had been added to reflect the potential impact on student and employer behaviour and/or funding.
- 16.1.3. The risk around financial health had been amended and the bar would be set at 130.
- 16.1.4. There had been a slight change to the T-Level risk around student targets and the ability to provide a suitable learning environment.
- 16.1.5. The risk of industrial action was likely to be higher this coming year.
- 16.1.6. The main risks identified in the budget for 2022/23 were reflected in the risk register.

11.2 Governors approved the risk management strategy for 2022/23.

12 AUDIT COMMITTEE TERMS OF REFERENCE

12.1 The Director of Governance and Policy presented the revised Audit Committee Terms of Reference. The following points were highlighted:

- 12.1.1 The Terms of Reference had been slightly amended to highlight that there needed to be regular re-tendering of external audit services at least every three years.
- 12.1.2 It was noted that even though the decision had been taken not to retender this year, this was good practice and should be reflected in the Terms of Reference.

12.2 Governors approved the Audit Committee Terms of Reference.

13 CORPORATION CALENDAR AND WORKPLAN

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

- 13.1.1 The workplan followed a similar format to previous years. There would be a special meeting in November and an away day in June. The January date was being held for any additional items that needed discussing but would be cancelled if not needed.
- 13.1.2 The agendas for the coming year would be structured slightly differently to place a greater emphasis on teaching and learning and the student experience.

13.2 Governors approved the Corporation calendar and workplan.

14 CHAIR AND VICE CHAIR ELECTIONS 2022/23

14.1 The Chair explained that his term of office as Chair and as a governor would come to an end at the end of March 2023 and he could not serve another term

as governor. An election process for Chair and Vice Chair would take place in the autumn term. Governors were invited to consider whether they would wish to stand or nominate or encourage someone else.

15 PROGRESS REPORT ON OPERATING STATEMENT 2021/22

15.1 Governors received and noted the paper.

16 ESFA FINANCIAL DASHBOARD

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 ITEM FROM SEARCH AND GOVERNANCE COMMITTEE: CHAIR'S PERFORMANCE REVIEW

19.1 Governors received and noted the paper.

20 DATES OF NEXT MEETINGS

- 25 October 2022
- 17 November 2022 (inc. meeting with KPMG and dinner)
- 7 December 2022
- 26 January 2023 (tbc)
- 23 March 2023
- 9-10 June 2023 (Away Day)
- 6 July 202

21 ANY OTHER BUSINESS

21.1 Governors thanked the senior team and all staff for their hard work and commitment during what had been another very challenging year.