

MINUTES OF A MEETING OF THE BOARD OF LEICESTER COLLEGE CORPORATION HELD ON 23 MARCH 2023



Present: Jonathan Kerry (Chair)
Lisa Armitage
Zoe Allman*
Shaun Curtis (item 8 onwards)
Anne Frost* (item 8 onwards)
Danielle Gillett
Verity Hancock

Chan Kataria
Maureen Magutu
Neil McDougall
Lee Soden*
Caroline Tote
Tom Wilson

In Attendance: Louise Hazel
Shabir Ismail
Zoé Butler

Director of Governance and Policy
Deputy Principal
Director of Student Services and
Marketing (item 4)

*Joined meeting online via Teams

1 DECLARATIONS OF INTERESTS

- 1.1 There were no declarations of interest.
- 1.2 Neil McDougall was welcomed to his first meeting.

2 APOLOGIES FOR ABSENCE

- 2.1 Apologies for absence were received from Sam Emery, Nicola Gonsalves, Zubair Limbada, Louisa Poole, Jai Sharda, Della Sewell, Debi Donnarumma and Kully Sandhu

3 MINUTES OF THE LAST MEETING AND MATTERS ARISING

- 3.1 **Governors received and approved the minutes of the meeting on 7 December 2022.**

4 SAFEGUARDING UPDATE INCLUDING PREVENT

- 4.1 The Director of Student Services and Marketing presented an update on safeguarding and Prevent. The following points were highlighted.
 - 4.1.1 To date there had been 421 referrals to the safeguarding team, relating to 275 students compared to 360 referrals for the whole of 2021/22. The increase of referrals had been anticipated and was largely down to sustained efforts to encourage staff to refer and log all concerns.
 - 4.1.2 The gender split profile had changed for this year, with 48% female, 52% male compared to 58% female, 42% male for the previous year. The traditionally male orientated curriculum areas had been very proactive in seeking safeguarding training and advice had impacted on this figure.
 - 4.1.3 77% of the total referrals were for the 16-18 age group.

- 4.1.4 Key themes continued to be around mental health and suicide ideation.
- 4.1.5 Smoothwall monitoring software had been introduced and was highlighting events requiring investigation. Smoothwall would be attending the next network to brief staff on trends and emerging issues.
- 4.1.6 Work continued to develop a safeguarding culture. Members of the safeguarding team were heavily involved in the Deep Dives and additional training and awareness raising sessions had been held with several teams.
- 4.1.7 The latest Counter Terrorism Local Profile had been updated and shared widely across the College. An emerging risk related to the heightened vulnerability to radicalisation among neurodiverse students.

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

- 4.2.1 **The report and statistics were very helpful. How would the data be used; would there be targets and were comparisons with the previous year helpful?** There would never be a target because the emphasis was on getting staff to refer any concerns. A year on year comparison would be made. The categories of referral were most useful. Suicide ideation peaked in May last year due to exam stress so the College was looking to put in place additional support this year to help students during the exam period.
- 4.2.2 **Did the team get sight of the detail of the referrals?** More information was held in CPOMs and the team looked at it in detail.
- 4.2.3 **Was the increase in referrals due to the sustained efforts to encourage people to report or an absolute increase in mental health issues?** It was a bit of both; other settings were also reporting an increase in mental health issues which was probably attributable to the pandemic. It was noted that some areas, such as Engineering, did not previously make any referrals but were now doing so which was encouraging and Construction now had the second highest number of referrals, both of which impacted on the gender profile.
- 4.2.4 **What was the College doing in respect of the new risk around neurodiverse students?** This was an emerging risk and more work was needed in College and locally. The first stage was to highlight this to staff given the high numbers of neurodiverse students in the College who could have a higher propensity to be groomed.
- 4.2.5 **Where could students find information on safeguarding and how to report concerns?** This was on Moodle. It was also covered during the personal development sessions and new signs would be displayed across the College.
- 4.2.6 **It was confusing for students how to contact the right person on Teams.** Noted; this would be looked into.
- 4.2.7 **It was good to hear the message was getting across; what was the impact on the safeguarding team of the increase in referrals and was there an impact on the achievement of other priorities?** There was now a dedicated safeguarding officer which had been a welcome addition last year. There was also a team of dedicated safeguarding leads (DSL) who worked on a rota. In terms of priorities, there was no sense that anything else was suffering. More DSLs were being trained to help manage the number of referrals. As a result of the additional

training, curriculum staff also felt more confident and were able to deal with more of the lower level concerns.

4.2.8 **Was there anything that needed to be done in terms of messaging to different groups who might have different cultural views about safeguarding?** The data on referrals by ethnicity was new data and so the team would want to look at and understand it. They would be working with the student union team to see if there were any barriers that needed to be addressed.

4.2.9 **The data was comparable to the referral rates in the City as a whole. The system was creaking under the weight of referrals and there were increasing numbers with high levels of complexity so it was good to try and get early referrals.**

4.3 **Governors noted the Safeguarding update and thanked the Director of Student Services and Marketing and the team for their work in safeguarding students.**

5 STAKEHOLDER ENGAGEMENT STRATEGY

5.1 The Principal presented the Stakeholder Engagement Strategy. The following points were highlighted.

5.1.1 There was an increasing expectation that colleges should account for their work with others. The College worked with a wide range of stakeholders and the strategy and accompanying action plan and framework set out the current work and plans to take it forward.

5.1.2 Governors' involvement was important and there were opportunities for governors to be more involved in interactions with stakeholders.

5.1.3 The impact of the work would need to be assessed through the KPIs and other reports to the Corporation.

5.1.4 Any plans for stakeholder engagement needed to be achievable both by staff and governors; if it was necessary to priorities activity, students would always come first.

5.2 Governors asked a number of **questions** and made the following **comments** including:

5.2.1 **Were the Skills Advisory Panels rated red because they were new?** Correct. The impact of some of the engagements would take some time although there were already some positive impacts from the stakeholder dinner held in 2022.

5.2.2 **The College should try to distinguish between the more powerful and influential and stakeholders with higher engagement and the potential benefits particularly for governors and the Executive.**

5.2.3 **The CBI and Chamber frequently commented about the need to engage with FE colleges but it was not clear if this was happening.**

5.2.4 **Were there any areas of the College where it would be harder to establish Skills Advisory Panels?** All areas would find it challenging to get employers engaged. The Engineering panel was set up, other vocational areas would follow. It was unlikely that one was needed for English and maths.

- 5.2.5 **The strategy and framework were a good start but engagement and impact were likely to be a slow burn and it might not be possible to see impacts immediately.** Agreed; where there had been a deterioration of some partnerships during the pandemic, these were being built back up where they were felt to be helpful and add value.
- 5.2.6 **It would be important to make it clear what was in it for the stakeholders; this might help with determining priorities for engagement.** Agreed.
- 5.2.7 **Where did the College judge governor involvement to be at the moment?** This would depend on whether governors had a specific role or specialism and their involvement through committees.
- 5.2.8 **The Board effectiveness review had highlighted the need for governors to be more involved in stakeholder engagement; it was perhaps the case that as a whole the board was not doing as much as it might aspire to.**
- 5.2.9 **Engagement in safeguarding partnerships should be added to the framework.** Noted; this would be added.

5.3 **Governors approved the Stakeholder Engagement Strategy.**

6 **ACCOUNTABILITY STATEMENT**

- 6.1 The Principal presented the Accountability Statement. The following points were highlighted.
 - 6.1.1 In the Skills for Jobs White Paper, the government set out 'its vision to transform further education'. The accountability agreement was a two-part document setting the overall expectations of providers in return for the Department for Education (DfE)'s funding. One part would be created by the DfE, the other, the accountability statement would be created by the provider.
 - 6.1.2 Providers must submit their Accountability Statements by 31 May 2023; these had to be approved by the Corporation before submission.
- 6.2 In response to a **question** as to whether this would be required to the same timescale each year, even though the statement would be produced months before the new academic year, it was confirmed that this was the expectation.
- 6.3 **Governors approved the Accountability Statement for submission to the ESFA.**

7 **PARTNERSHIPS AND PROJECTS REPORT**

- 7.1 The Principal presented the Partnerships and Projects report. The following points were highlighted.
 - 7.1.1 The College had no subcontracting but worked with a range of partners and stakeholders to target specific skills needs and demands locally.
 - 7.1.2 The paper also showed the efforts taken to bid for funding to support specific projects and work collaboratively to address local needs. There

remained a limit to what the College had capacity to deliver.

- 7.1.3 There was an opportunity for governors to understand more about some of the partnerships and collaborative projects through visits and learning walks.

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

- 7.2.1 **Had the apprentices referred to as being due to finish in autumn 2002 now completed?** They had.
- 7.2.2 **If all of the tenders were successful, would the College be able to deliver to them?** Usually funding was in and out but in some cases, it could be used to fund additional resource associated with the project. The College was careful to ensure it could achieve the intended outcomes.
- 7.2.3 **If a tender was submitted, was the College committed to deliver?** No, it was always possible to not accept the contract.
- 7.2.4 **The report provided a useful indication of work with stakeholders.** Agreed, a lot of operational work stemmed from strategic partnerships. Some of this showed the impact of stakeholder engagement resulting in tangible projects, such as the work with the NHS and Highfields Centre.
- 7.2.5 **Was tendering proactive or reactive?** It might be both but the College needed to ensure that it was not competing with its own AEB delivery.
- 7.2.6 **It was encouraging to see the Student Union securing funding.** Agreed.

7.3 **Governors noted the report and approved the new partnerships with NIS and NHS Partnership Trust.**

Anne Frost and Shaun Curtis joined the meeting

8 FINANCE REPORT (PERIOD 6) AND SPRING REFORECAST

8.1 The Deputy Principal presented the finance report (period 6) and spring reforecast. The following points were highlighted.

- 8.1.1 The year to date result was an operating deficit after restructuring costs of £1,194k compared to the budgeted deficit of £817k.
- 8.1.2 At this stage, 16-18 learner responsive learner numbers were above allocation by 87 students. However, due to the mix of students recruited, the allocation had been reduced in year by £161k.
- 8.1.3 Indications from the R06 data return and discussions with curriculum directors suggested that the College would fall short of its original AEB target by £1.5m. This had been reflected in the spring reforecast.
- 8.1.4 Apprenticeship income was currently in line with the revised autumn reforecast target.
- 8.1.5 HE recruitment was below target. A decrease in income of £70k was factored into the spring reforecast.
- 8.1.6 Around £225k savings had been achieved through the recruitment freeze.
- 8.1.7 A spring reforecast has been undertaken in which the expected Total Comprehensive Income after restructuring costs had decreased by

- £938k from a deficit of £1,048k to a deficit of £1,986k.
- 8.1.8 The spring reforecast would result in a breach of two bank covenants although the College's financial health remained in the 'requires improvement' financial health rating.
 - 8.1.9 Positive conversations were taking place with the bank which remained supportive. There were a number of options open to the College: if the DfE offered favourable terms, the bank might look to match; an add-back solution which treated some items as exceptional; or the suspension of the covenants for two years. The College's preference was currently for the bank to match the DfE terms.
- 8.2 The Principal explained that the position was being monitored on a weekly basis but it was expected that there would be more pressure in the summer reforecast. It was not the case that the offer was no longer valid but that people were prioritising work. While there had been some bounce back after the pandemic, this had not been as much as hoped. The budget had been set before the inflationary pressures had started to impact.
- 8.3 **The Chair of F&GP commented that the Committee had looked at the finance report and reforecast and interrogated the variances but had mainly considered the implications. The options around the bank covenants looked promising.**
- 8.4 Governors asked a number of **questions** including:
- 8.4.1 **The financial health score had slipped; how much further did it need to slip to move the College into intervention?** If the deficit dropped to £3.5m, financial health would be inadequate. There were ongoing discussions with the ESFA and with KPMG. KPMG had confirmed that there would not be a going concern issue if the bank moved on the covenants but if the position continued beyond two years, it might then become a going concern issue.
 - 8.4.2 **The College had been in difficult positions before and the focus needed to be on next year to make an impact. But it would be necessary to think about how forecasts were made and to be contingent rather than optimistic.** Agreed.
 - 8.4.3 **The I&E was one picture, the balance sheet and cash position another. What was the lowest the cash position would get to?** It would move to £3.7m in March 2024 but would pick up after that.
- 8.5 **Governors noted the Period 6 finance report and approved the spring reforecast.**

9 SPRING REFORECAST MITIGATION ACTION – CONFIDENTIAL

10 BANK LOAN

- 10.1 The Deputy Principal presented an update on the bank loan position. The following points were highlighted.
- 10.1.1 Following the decision to reclassify colleges as public sector

organisations and the associated changes to borrowing arrangements, a request for consent had been submitted to the DfE. The DfE approved the loan extension for three months to 13 April 2023, while it considered offering a refinancing solution.

- 10.1.2 The DfE had subsequently confirmed that it would offer to refinance the outstanding £1.425m loan. The DfE loan would be repayable over 15 years with the same quarterly repayment schedule as was being paid to Santander. The would be the variable interest base rate of the Public Works Loan. There would be no margin applied to this rate.
- 10.1.3 The College now had the option to accept the refinancing arrangements or to repay the loan.
- 10.1.4 On the basis that the DfE was trying to limit colleges accessing commercial loan arrangements, it was unlikely that it would approve drawdowns of funds from existing revolving credit facilities (RCF). The College should therefore also consider terminating the RCF.

10.2 **Governors agreed to accept the recommendation of F&GP to:**

- 10.2.1 **Authorise the repayment of the £1.425m loan to Santander.**
- 10.2.2 **Enter into the new facility offered by the DfE.**
- 10.2.3 **Cancel the revolving credit facility arrangement with Santander.**

10.3 **The Corporation agreed to:**

- 10.3.1 **Approve the terms of, and the transactions contemplated by, the Finance Documents and resolve that it execute, deliver and perform the Finance Documents to which it is a party.**
- 10.3.2 **Authorise the Chair and/or Vice Chair and/or Principal to execute the Finance Documents to which it is a party on its behalf.**
- 10.3.3 **Authorise the Deputy Principal and/or Director of Governance and Policy, on its behalf, to sign and/or despatch all documents and notices to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party.**

11 **CAPITAL PROGRAMME UPDATE**

11.1 The Deputy Principal and Director of Estates and Campus Services presented an update on the capital programme. The following points were highlighted.

- 11.1.1 The Corporation agreed the capital programme spending as part of the budget for 2022/23. Since the budget was set, the College had been successful in securing additional funding for capital investment.
- 11.1.2 It was proposed that the budget be increased from £4,545k to £4,952k for 2022/23. The College's contribution from cash reserves would only be £2,007k with the remainder of the costs being funded by grants.
- 11.1.3 Over the three years to 2024/25, the College would commit £12.6m of capital investment, with only £2.8m, representing 22.4%, being funded from the College's cash reserves.
- 11.1.4 The planned and current projects included estates works to improve the provision of IT classrooms, roof and pipework refurbishments, new teaching kitchens part-funded by the Savoy Trust, gas workshop

- development and a major Office for Students (OfS) funded project to develop an aeronautical and space building on vacant land at APC.
- 11.1.5 The Wave 4 T level project to redevelop engineering classrooms at APC B block, was a 25 week build programme. The tenders for this had been received and looked to be significantly over planned budget; a value engineering programme was underway and the ESFA would be approached for additional funding.
- 11.1.6 A further application had also been made for £1.6m T level funding for construction with no College contribution; retrospective governor approval for the submission of this bid was required.

11.2 Governors agreed to accept the recommendation of F&GP to:

- 11.2.1 **Approve the revised capital programme**
- 11.2.2 **Approve the submission of an application for further T level funding of £1.6m for refurbishment of the electrical facilities.**

12 PROGRESS REPORT ON OPERATING STATEMENT

12.1 The Principal presented a report on progress with the Operating Statement. The following points were highlighted.

- 12.1.1 Several of the areas described in the paper had been reported during the meeting with the main areas of concern highlighted.
- 12.1.2 A number of areas of work were still rated red because the final impact would not be known until the end of the year.
- 12.1.3 The student survey was showing a stable position and with a higher rate of response (76%) which was encouraging. More information on this would be brought back. The HE survey results were very positive.
- 12.1.4 Attendance was improving and was particularly strong for HE.

12.2 Governors noted the Operating Statement Progress Report.

13 EXTERNAL BOARD REVIEW RECOMMENDATIONS AND ACTION PLAN

13.1 The Director of Governance and Policy presented a paper on recommendations from the external board review. The following points were highlighted.

- 13.1.1 The Search and Governance Committee had considered the recommendations on committee size and immediate feedback after meetings.
- 13.1.2 Other recommendations relating to risk appetite and assurance that employer needs were being met were addressed by the risk workshop and the Stakeholder Engagement Strategy.
- 13.1.3 The Committee concluded that, rather than reduce the size all of the committees, the Board should take a view that the size was the maximum size of each committee; this would reduce the imperative to fill all spaces on each committee. The expectation that all governors join two committees could also be relaxed.
- 13.1.4 On immediate feedback, the Committee's view was that it was not necessary to introduce anything new. There were lots of opportunities for governors to provide feedback at any time or through the annual

self-assessment process. Governors had taken the opportunity to do this and some changes had been made as a result.

13.2 Governors agreed to accept the recommendations of the Search and Committee in respect of committee size and immediate feedback.

14 GOVERNOR VISITS REPORTS AND OTHER FEEDBACK

14.1 The Chair invited governors who had recently visited the College to report on their visits. The following points were highlighted.

14.1.1 During a visit to the IT team, the high level of vacancies was discussed. The team was considering using apprentices to help fill some of the vacancies; this might be something other areas could consider.

14.1.2 Governors were always appreciative of the time staff gave to meet with governors; it was also important and helpful to see students and some of the improvements being made to the estate.

14.2 Governors noted the visit reports.

15 ANY OTHER BUSINESS

15.1 The Principal reported on the second Ofsted review of T Levels which had taken place over the past two days. It had covered digital, construction, childcare and health and social care. Inspectors had talked to students, staff and employers. Although there was no formal feedback and this was not an inspection, comments from the inspectors had been that it was a very 'positive product' and there had been some improvements since the last visit. The behaviour and attitudes of all students, including non-T levels students, had been praised.

15.2 The Chair then took the opportunity to thank governors and staff. This was his last meeting. He had enjoyed his time as a governor and chair and felt it had been a privilege to work with an organisation that made such a difference to so many peoples' lives. He wished the College well. Governors and staff thanked him for his contribution.

16 ONS RECLASSIFICATION OF COLLEGES

16.1 Governors received and noted the paper.

17 COMPLAINTS REPORT

17.1 Governors received and noted the paper.

18 ITEM FROM AUDIT COMMITTEE: RISK MANAGEMENT UPDATE

18.1 Governors received and noted the paper.

19 SUSTAINABILITY UPDATE

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

20 OUTCOME OF ESFA STRATEGIC CONVERSATION

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

21 DATES OF NEXT MEETINGS

- 9-10 June 2023 (Away Day)
- 6 July 2023