

## Minutes of a Meeting of the CORPORATION held on Wednesday 14 December 2022 at 16.00pm – 18.30pm

### **115/22 DECLARATIONS OF INTEREST**

Prof. Nigel Hastings stated that his wife's involvement with the Isle of Wight Federation had now concluded. There were no Declarations of Interest.

### **116/22 APPROVAL OF THE NON-CONFIDENTIAL AND CONFIDENTIAL MINUTES OF THE MEETING HELD ON 12 OCTOBER 2022**

The minutes were approved as a true record of the meeting.

### **117/22 APPROVAL OF THE CONFIDENTIAL MINUTES OF THE MEETING HELD ON 1 DECEMBER 2022**

The minutes were approved as a true record of the meeting.

### **118/22 MATTERS ARISING FROM THE MINUTES OF 12 OCTOBER 2022**

The Director of Governance reported that all Matters Arising from the previous meeting had been completed as detailed in the written report.

### **119/22 COMMITTEE MINUTES**

The draft minutes of the following Committee meetings had been circulated for information:

Draft Capital Committee Minutes of 28 September 2022

Audit Committee Minutes of 12 October 2022

Draft Audit Committee Minutes of 1 December 2022

Draft Search & Governance Minutes 1 December 2022

The Chair invited questions or items to note. The Chair of the Capital Committee reported that the Committee had met earlier on 14 December 2022 and received a thorough update across all capital bids. The Chair of the Audit Committee reported that two meetings had taken place: most recently devoted to the Annual Accounts in which a clean bill of health had been reported by internal and external auditors; and an earlier meeting in which the Audit Committee had interrogated the Risk Register. The Chair of Corporation noted the work of the Audit Committee in providing scrutiny and assurance.

### **120/22 CORPORATION AND COMMITTEE VACANCIES AND APPOINTMENTS**

The Director of Governance reported on Corporation and Committee vacancies and appointments. The Chair of Search and Governance Committee reported that the Committee had considered

succession planning for Chair and Vice Chair of Corporation and recommended a revised structure of Corporation with a Chair and two Vice Chairs with portfolio for implementation in 2023/24.

A Member welcomed the proposal as providing appropriate cover in a formal structure noting that the structure and portfolio should be focussed on individual strengths. The Chair requested that the Search and Governance Committee proceed with the proposed model and further develop the structure and portfolio as discussed, and inviting expressions of interest for the roles.

The Corporation CONSIDERED the report and:

- i) APPROVED the appointment of Prof. Adam Amara to Corporation for a term of 4 years from 15 December 2022 to 14 December 2026;
- ii) APPROVED a recruitment campaign to fill the remaining vacancy to be implemented by the Director of Governance in January 2023;
- iii) NOTED the appointment of Tony Eysele to the Search & Governance Committee;
- iv) APPROVED the co-option of Mr Trevor Nicholas to the Audit Committee for a term of 2 years from 15 December 2022 to 14 December 2024;
- v) APPROVED the appointment of Mrs Jessica Garbett as Designated Safeguarding and Young Carers Governor;
- vi) NOTED the recommendation to appoint a Designated Skills and Careers Governor in January 2023;
- vii) APPROVED the re-appointment of Christine Palmer for a term of 2 years from 27 February 2023 to 26 February 2025.
- viii) NOTED the intention of the Chair of Corporation to step down as Chair in July 2023 and not seek re-election, and that the process of identifying a successor will begin in the new year;
- ix) APPROVED a revised structure model for two Vice Chairs with portfolio with an open recruitment process inviting expressions of interest.

### **121/22 EXTERNAL BOARD REVIEW**

The Director of Governance reported on the requirement for an External Governance Review (EGR). A written report had been considered by the Search and Governance Committee on 1 December 2022 and a written report was provided to Corporation outlining the Committee's considerations recommendations concerning timing of the review; potential reviewers; costs and budget; and scope for review. The establishment of a Task and Finish Group was recommended and expressions of interest were invited. In response to a query from a Member, the Director of Governance outlined what the role on the Task and Finish Group would entail.

The Corporation CONSIDERED the report and APPROVED to:

- (i) commence the process of specification design and tendering in January 2023;
- (ii) invite tenders from the AoC; ETF plus one other to be identified by the Director of Governance;
- (iii) establish a Task and Finish group for External Governance Review comprising Professor Nigel Hastings, Mr Tony Eysele; Mrs Ros Parker; and Mrs Stephanie Taylor plus one other Governor via inviting expressions of interest

### **122/22 CHAIRS BUSINESS/RATIFICATION OF CHAIRS ACTION**

The Chair reported that he had attended a Solent Governors' Collaboration Event with the Assistant Principal (Curriculum). He had also attended a meeting with the Principal and senior managers with the Education and Skills Funding Agency (ESFA).

The Corporation were informed of the Use of the Corporation Seal to confirm acceptance of the Deed of Guarantee, a document underpinning the relationship within the Institute of Technology bid. As per the Standing Orders the application of the Seal was authenticated by the signature of the Chair and one other Member of the Corporation, namely the Principal. The Deed of Guarantee was circulated to Members and as per the Standing Orders was being reported to the Corporation at its next meeting following the application of the Seal.

The Corporation NOTED the application of the Corporation Seal to the Deed of Guarantee.

### **123/22 COLLEGE SELF ASSESSMENT REPORT 2021/22**

The Principal reported on the College Self-Assessment Report 2021/22. The Principal noted that the participation of some Governors on Self-Assessment Review (SAR) panels had added an additional layer of scrutiny. The process informed the Quality Improvement Plans (QIPs) to make the necessary improvements to impact outcomes for learners. The Principal reported that she had been a part of every SAR panel along with the Assistant Principal (Curriculum) and the Acting Assistant Principal (Teaching, Learning & Students and HR) and invited questions.

A Member asked what was necessary to convert threats to opportunities and weaknesses to strengths. The Assistant Principal (Curriculum) responded that risks or actions identified from the SAR were covered in detail for mitigations in the QIP. There were spot checks to ensure interventions were having an impact. In response to a further query from a Member, the Assistant Principal (Curriculum) confirmed that the mechanisms for this were monitoring meetings and accompanying live documents. There were three main areas: quality monitoring meetings, performance impact meetings, and apprenticeship impact meetings.

A Member enquired regarding benchmarking. The Principal, taking Maths and English as an example, responded that it was necessary to increase and improve results in Maths measured against national data from the RCU (Market Intelligence & Research in Further Education) and Association of Colleges (AoC) benchmarking against other institutions. In response to a query from a Member regarding local baseline, the Assistant Principal (Curriculum) responded that English and Maths results on the Island are poor and that the College was therefore starting from a low baseline but that it was necessary to put measures in place to mitigate this.

A Member asked whether a balance was achieved with getting to destination versus achievement on a day to day basis. The Principal responded that it was not just a case of measuring achievement but also progress on the individual learning journey as well as social and personal development. In response to a further question from a Member regarding whether the correct balance is achieved, the Principal responded that she was pushing for personal development to be outstanding this year.

A Member commented on timing of the SAR process noting that a large amount of time is devoted to this and that as a result the Corporation does not meet in November. Could this be done as well

another way, it was asked. It was also requested that reporting be as succinct and clear as possible. The Principal responded that these comments have been taken on board.

Following a request from the Chair, the Assistant Principal (Curriculum) provided an outline of the enhanced inspection framework (EIF). It was requested that the Strategy Day scheduled for January 2023 include a focus on meeting local skills needs. It was agreed that relevant extracts from the EIF would be circulated to Governors.

The Corporation CONSIDERED and APPROVED the draft 2021/22 College Self-Assessment Report and the grades awarded.

#### **124/22 QUALITY OF EDUCATION (IMPACT) 2021/22**

The Corporation CONSIDERED the Quality of Education (impact) headlines and the identified areas for improvement for the academic year 2021/22.

#### **125/22 REVIEW OF PERFORMANCE AGAINST 2021/22 HIGH LEVEL PI'S, TARGETS FOR MONITORING IN 2022/23 AND KPI MONITORING REPORT TO DECEMBER 2022**

The Principal presented the Key Performance Indicator (KPI) report.

In response to a comment from a Member regarding how to deal with the number of targets, the Principal confirmed that she would be reviewing and would be bringing a report to the Strategy Day on defining KPIs within the Strategic Plan moving forward.

The Chair noted that if a problem were identified the mitigation should be in place from the start of the academic year. The Principal agreed and noted that the report reflected progress to date.

In response to a query from a Member, the Assistant Principal (Curriculum) outlined the process for KPI setting and noted that many were required standard measures.

The Chair noted the significant amount of work that had gone into the process and report.

The Corporation REVIEWED the College's performance against 2021/22 targets, APPROVED the proposed targets for 2022/23 and NOTED current progress against 2022/23 targets.

#### **126/22 REPORT FROM GOVERNORS' ENGLISH AND MATHS SUB GROUP**

Prof. Nigel Hastings presented the report of the Governors' English and Maths Sub-group.

Ms Ella Young left the meeting at this point.

It was agreed that it was necessary to demonstrate rapid improvement, particularly in Maths, and that the interventions put in place were having an impact. In response to a query from a Member, the impact of the pandemic on assessed grades was noted. The Governors requested further briefings.

The Corporation NOTED:

1. That the existing “Governors’ Sub-Group” is concluded.
2. That the Principal is invited to establish and lead a *College English and Maths Management Group* to which nominated governors (max 3) are invited.
3. That the role of these governors will be to:
  - a. Support and challenge the College in the provision of consistently high quality English and maths teaching and learning for GCSE and Functional Skills
  - b. At least annually, report to Corporation.
  - c. As appropriate, make recommendations to Corporation on further steps it might take to support and enhance the quality of English and maths teaching at the college

### **127/22 PRINCIPAL’S REPORT**

The Corporation CONSIDERED the Principal’s Report.

### **128/22 DRAFT JANUARY 2023 STRATEGY SESSION AGENDA**

It was agreed to extend the Strategy Day. In response to a query from a Member it was confirmed by the Assistant Principal (Finance and Resources) that the Accountability Plan would be included in the item on Labour Market Intelligence (LMI).

The Corporation APPROVED the Strategy Session Agenda.

### **129/22 TERMLY TEACHING, LEARNING AND ASSESSMENT REPORT**

The Assistant Principal (Teaching, Learning & Students and HR) presented the Termly Teaching, Learning and Assessment Report.

The Corporation CONSIDERED the report.

### **130/22 TERMLY SAFEGUARDING REPORT**

The Assistant Principal (Teaching, Learning & Students and HR) presented the Termly Safeguarding Report.

The need for education for students in College regarding behaviour outside of College to be included in safeguarding training was discussed.

The Chair invited the views of the Student Governors. A Student Governor noted that all of her class was over the age of 18 but that she had studied at the College from the age of 16 and had never witnessed any behaviour that rang alarm bells with her.

The Chair noted that in his experience culture and behaviour on the College campus during his visits had been excellent.

A Member referring to section 4.2 of the report regarding College support for Ukrainian refugees enquired as to how the College was managing any language barrier difficulties. The Assistant Principal

(Teaching, Learning & Students and HR) responded that there was a mixed range of language abilities and that with peer support there were not language barrier difficulties.

The Corporation CONSIDERED the report.

### **131/22 SECTION 175 AUDIT**

The Corporation NOTED the Section 175 Audit.

### **132/22 HEALTH AND SAFETY POLICY**

Following amendments requested at the meeting of the Corporation on 12 October 2022, the Corporation received a report of changes made.

The Corporation APPROVED the Health and Safety Policy.

### **133/22 MONTHLY FINANCE REPORT AND LATEST ESTIMATE**

The Director of Finance presented the Monthly Finance Report.

1. The management accounts report the ACTUAL position for the 4 months to date (to November).
2. As we always do, we are reporting the position against the budget agreed in July 2022. We are currently showing an operating surplus before structuring costs of £465k (versus a budget surplus of £460k), which is a £5k FAVOURABLE variance.
3. This has been driven by the following key items:
  - a. INCOME:
    - b. We are showing an adverse variance against tuition fee income of £224k - £208k of which relates to a much lower take-up in Advanced Learner Loans – which will need to be downturned in the latest estimate
    - c. Erasmus project income was budgeted to have achieved £121k for the year to date, but we have achieved no income yet. This will be revisited in July and revised in the latest estimate, if required
  4. PAY – Pay costs for the year are showing a £214k favourable variance for the year. This is mainly due to non-recruitment of budgeted vacancies (although some posts are covered by temporary staff, leading to higher non pay costs). The pay increase has been actioned, and is factored into the years' costs.
    - a. NON PAY – Non pay costs are showing an £85k favourable variance against budget for the year to date – but it is important to remember that we had included £422k for the year as an allowance for inflation on non-pay (which equates to £141k for the year to date). Given we only have an £85k favourable variance, non-pay costs for the year to date have consumed £56k of this inflation allowance.
5. BALANCE SHEET – key items include:
  - a. DEBTORS - total debtor days stand at 59 days, compared to 117 days in November 2021. In terms of absolute value, current debt totals £111k – and was £143k at this time last year.
  - b. CASH – the total cash balance is £6.5m, of which £5.7m is college own funds (excluding Erasmus funds, unspent project monies including SDF and T levels). In November 2021, College own funds totalled £4.7m. During the month of November 2022, we repaid 346,000 euros to the Erasmus project – being the value of unspent project funds.
6. COVENANTS – as noted before, the covenants are only measured by Lloyds on the 31<sup>st</sup> July. If it were based on November actuals, all covenants would be met, with some very healthy head-rooms.

7. FINANCIAL HEALTH – the current financial health of the college (based on a years' rolling income) would be OUTSTANDING at 240 points. (In November 2021, the equivalent points were 230 points, giving a financial health score of good.)

8. LATEST ESTIMATE - There is no latest estimate paper this month. I will be conducting a full and comprehensive revised forecast during January, to present to you at the following Corporation meeting.

A Member commented that the utilities graph was good but that it would be necessary to monitor trends.

In response to a query from a Member regarding recruitment, the Principal confirmed that there had been some recruitment difficulties but mitigations were in place to ensure this did not impact on learners.

The Corporation NOTED the report.

### **134/22 RISK REGISTER: PROGRESS REPORT**

The Assistant Principal (Finance and Resources) presented the Risk Register Progress Report.

The Corporation NOTED the updated Risk Register.

### **135/22 ANNUAL REPORT OF THE AUDIT COMMITTEE 2021/22**

The Chair of the Audit Committee presented the Annual Report of the Audit Committee 2021/22.

The Corporation CONSIDERED and APPROVED the report.

### **136/22 INTERNAL AUDIT ANNUAL REPORT 2021/22**

The Chair of the Audit Committee presented the Internal Audit Annual Report 2021/22. He noted that this was not mandatory and was advisory and that the College were undertaking this above and beyond requirements. The process provided a check and test. Nine areas had been reviewed: of these four had received Substantial assurance and five were considered Reasonable. There were no areas deemed Limited or No Assurance. The Chair noted that it was a credit to the College staff that the auditors had reported full staff cooperation and confirmed that Governors should be reassured by this report.

The Corporation CONSIDERED and RECEIVED the Internal Audit Annual Report 2021/22.

### **137/22 COLLEGE BOARD ASSURANCE FRAMEWORK: RISK MANAGEMENT REPORT**

The Assistant Principal (Finance and Resources) presented the College Board Assurance Framework Risk Management Report. He confirmed that the Risk Register had been reviewed three times during the year and was also reviewed as part of the triannual audit plan. He confirmed compliance with requirements and sufficient briefing on high level risks.

The Corporation CONSIDERED and NOTED the College Board Assurance Framework Risk Management Report.

## **138/22 COLLEGE ACCOUNTS REPORT**

The Director of Finance presented the College Accounts Report. The Chair invited questions. It was noted that the Audit Committee had considered the report in depth.

The Director of Finance reported one minor amendment due a movement in the balance sheet for T Levels with one minor improvement to the current ratio moving to Outstanding. A Member queried the reason for reclassification. The Director of Finance responded that this was due to the grant received and the grant spent and the need to reconcile the difference. The Member asked if this could result in a 'yo-yo' effect and the Director of Finance responded that the change in Financial Health no longer included debt and therefore there was unlikely to be a 'yo-yo' effect. A Member asked if there would be an impact on grants for building projects. The Assistant Principal (Finance and Resources) confirmed that this was possible. The Director of Finance reported that she had discussed with the auditors and confirmed it was necessary to report the change. In response to a query from a Member on the EBITDAR (Earnings before interest, taxes, depreciation, amortization, and restructuring or rent costs), the Director of Finance confirmed the College's score as 10.4 with the average score for College's being 8-8.5.

The Corporation APPROVED:

- College Accounting Policies
- Statement of Corporate Governance and Internal Control
- 2021/22 Financial Statements
- Final External Audit Findings Report
- Letter of Representation
- ESFA Finance Record
- Self-Assessment Questionnaire for the Regularity Audit
- Delamite Ltd: Financial Statements 2021/22
- Delamite Ltd: Letter of Support

## **139/22 ANY OTHER NON-CONFIDENTIAL BUSINESS**

The Chair noting that it was the last Corporation meeting for the Assistant Principal (Teaching, Learning & Students and HR) who had resigned from his post. The Chair recorded thanks to Mr David Hodgkins for his contribution to the College during his 8 years of distinguished service.

## **140/22 DATES OF NEXT MEETINGS**

- Wednesday 11 January 2023 Governor Strategy Session, 8.45am-1.00pm, Room The College Business Centre
- Wednesday 22 February 2023 Capital Committee meeting, 12.45-2.15, The College Business Centre
- Wednesday 22 February 2023 Governor Updating Session, 2.30-3.30pm
- Wednesday 22 February 2023 Corporation meeting, 4.00pm-6.30pm, The College Business Centre

## **141/22 FINANCIAL FORECAST AND RISK MANAGEMENT**

The Principal gave a verbal report on the financial position going forward. Risk had increased significantly due to energy price increases and pressure for potential rising staffing costs. As an SMT it would be necessary to go into the new year identifying serious cost savings if these could not be achieved through building closures. £131K capital grant had been allocated to the college to improve the efficiencies of college utilities. The funding cannot be used to pay utility bills but it should be used for capital expenditure that would improve the efficiency of buildings and lead to longer term reduction in utility bills. The Principal warned that there were challenging times ahead set in the context of reclassification, capital obligations, and without compromising on quality.



In response to a query from a Member on the position of other colleges, the Principal responded that while it was the case that some colleges would be on fixed utility contracts, with the change in (Office for National Statistics) ONS classification and the immediate impacts of this, there was currently more concern among colleges in general regarding overdraft facilities and debts.

A Member asked how income could be maximised as well as looking at costs. The Principal responded that this was being looked at. There was a downturn in adult provision and learner loans and this reflected the impact of the economy on adults. The College was revisiting its approach to utilising and optimising the adult education budget. There had been training and marketing in this area, and current planning being focused around local need. A Member observed the link with the forthcoming Accountability Plan and the Principal responded that this was being integrated with Local Skills Improvement Plan (LSIP) planning. The Principal outlined the process for the Accountability Plan. A Member requesting further information was signposted to the high level information on this in the Principal's report but confirmed that the official guidance had not been published yet. The Director of Governance signposted to current information available from Eversheds Sutherland and the Association of Colleges (AoC) on the Accountability Plan and on the ONS reclassification and would circulate this to Members.

A Member asked if there were pressures for pay rises. The Principal responded that minimum wage increases impact a large proportion of staff. The Assistant Principal (Teaching, Learning & Students and HR) confirmed that in 2021/22 this affected 40% of the workforce. In response to a query from a Member, the Assistant Principal confirmed that any decisions on pay were implemented in June and backdated. A Member queried whether there were pressures for large pay rises from the trade unions. The Principal responded that other colleges had awarded pay rises because they were being affected by strike action. This was not the case on the Island but the Principal concluded that it was likely that pressure would increase as cost of living pressures increased.

A Member asked the Principal for her thoughts on when and how much to bring staff into the detail of the conversation. The Principal responded that it was SMT's priority to ensure policies did not have a detrimental impact on learning, and then to involve staff in problem solving.

A Member asked if there was any further support that Governors could provide. Members were encouraged to spread the word on the College's adult learning offer. The Principal would promote the programme of activities to Members.

The Corporation NOTED the verbal report.