



Minutes of the Meeting of the Corporation, held on Monday 27 April 2020, 1.30pm via Microsoft Teams

- Present:** Mark Farrar (Chair)
 Mark Bass (Vice Chair)
 Yvonne Kelly (Principal/CEO)
 Andrew Brown
 Evelyn Carpenter
 Lisa Dee
 Carole Ditty
 Stuart Fraser
 Sarkis Mazmanian
 Bal Panesar
 Doug Trengove (Staff Governor)
- In attendance:** Wijay Pitumpe (Chief Finance & Enterprise Officer)
 Victoria Eastwood (Clerk to the Corporation)
 Andreas Galatoulas (Chief Technology & Innovation Officer)
 Veronica Anthony – David (Chief Transformation Officer)
 Joy Kettyle - (Chief Operating Officer)

	Welcome and apologies for absence Apologies for absence were received from Stephen Mizen and Forhad Altafi. The Chief Technology & Innovation Officer (CTIO), Chief Transformation Officer (CTO) and Chief Operating Officer (COO) provided a brief introduction and were welcomed to the College and their first meeting of the Corporation.				
	2. Declarations of Interest Governors were reminded of their responsibility to declare an interest in relation to specific items on the Agenda if appropriate. None were anticipated.				
3.	Minutes of the Previous Meeting – Monday 3 April 2020 The Minutes of the Previous Meeting held on Monday 3 April 2020 were agreed as a true and accurate record.				
4.	Matters arising An update on outstanding actions from the April meeting was provided:				
	Agenda Item	Action	Responsibility	Timescale	Update
	C/f	The implementation of a document management system be considered.	CFEO/Clerk	ASAP	Ongoing as part of GDPR
	C/f	Online training to be completed by all Governors.	All	ASAP	Ongoing
	7.	Updated report on financial sustainability to be provided on the 17 th April or by the 20 th April 2020 at the latest. Interim reports to be submitted on a	CFEO	17/20 April 2020	Report will be presented at the Corporation meeting. Constant

	two weekly frequency going forward.			updates on guidance have resulted in the report being delayed to ensure information is timely and accurate.
9.	A meeting to be convened with the Chair of Broadway, CFEO and Clerk to discuss the future management of Broadway. Outcome of the discussion to be discussed at the next Corporation Meeting.	Clerk	ASAP	A meeting took place to discuss furloughing of staff at Broadway. It was noted that further meeting would be required when the lockdown was lifted or if guidance changed. An update will be provided at the meeting.
10.	Revised STAR subsidiary report to be presented when appropriate. Original business case to be included.	CFEO	TBC	Ongoing
11.	English and Maths remote attendance and update on current position to be provided at the next Corporation meeting.	Clerk/Principal/CEO	27 April 2020	Agreed to defer to the May Corporation Meeting to provide a more accurate position.
13.	Remuneration Committee report and report on proposed internal Audit arrangements for 2020/21 to be provided once agreed with the relevant committees.	Clerk	ASAP	Ongoing

5. Chair's Actions

There had been no Chair's actions undertaken.

6. Update on the current position

The Principal/CEO recorded her thanks to the Executive Team for their leadership at this time

and their work to date. The key issue was backdating attendance to ensure this was fully up to date to be able to identify all learners who were not engaged. The College's current priorities were health and well-being, finance, learner retention, exams and grading. It was noted that grading would be problematic as some learners who were competency based may not be able to complete.

The Corporation were informed that there were now five members of college staff self isolating and three staff currently diagnosed with COVID-19. Three members of staff had sadly lost relatives to the virus.

The Principal/CEO reported that there was some support over a three-month period for non-levy apprentices which could change the financial forecast. The College needed to ensure that all learners had the equipment that they needed to support them with their learning. A great deal of work was taking place to maintain learner's health and wellbeing and promote the health and wellbeing of staff. The online student lounge was scheduled to open at the end of April which it was hoped this would further engage learners. English and Maths attendance remained a key issue.

Evelyn Carpenter asked whether the data to report on the number or trends of the impact of health and wellbeing being delivered remotely was available. The Principal/CEO responded there was an increase in students accessing the remote learner support team and the data was being collated. It was agreed that the number of learners accessing the remote health and wellbeing facilities would be provided to the Corporation once received.

The Chair questioned whether the College had been able to capture how many learners had engaged with English and Maths. The Principal/CEO replied that weekly reports were now available and would be made available within the report to the May Corporation meeting. A key priority was to ensure every learner undertaking English and Maths continued learning in addition to capturing learning outside of the normal timetable e.g. adults, apprentices. Feedback was captured through using google classroom. Where no contact was recorded, the learners were not marked as registered, which triggered action / intervention. It was noted that due to caring responsibilities, etc some learners were learning at different times.

Carole Ditty noted that the YouTube sites provided by the College were a valuable resource. The Chair congratulated the College on its work on these.

The Principal/CEO reported that the College had been in contact with its funding bodies and AoC was directly lobbying on the College's behalf regarding funding. The feedback from the AoC was that the Government saw colleges as key to the recovery, playing a key role as an anchor institution in their local community.

The Corporation were advised that bursaries were being considered to assist vulnerable learners and the College was in dialogue with a number of bodies to help supply devices to support learning. Thanks were recorded to the CFEO and Director of Student Support and PETT for their work on this.

In response to a query from Evelyn Carpenter, the Principal/CEO noted that the apprenticeship levy was an issue and there would be a shortfall. The College was looking at strategies to mitigate any risks to the income to date, but this was a risk going forward due to redundancies, EPA, etc. Although, a number of apprentices had been furloughed, learning was continuing.

Stuart Fraser questioned what would happen if furloughing arrangements ended in June but the College did not return until September. It was agreed that this would be discussed further in the agenda.

The Chair asked if there had been any further update regarding the IoT. The Principal/CEO reported that an email had been received to advise that the implications of COVID-19 were being considered as industry placements could be problematic going forward and a meeting would be scheduled subsequently. T-levels would continue and the profile of starts remodelled 20/21 in addition to 21/22 and 22/23. The re-profile would be submitted by the end of May 2020. Construction and digital were the curriculum priorities for both the IoT and T levels, however, construction may take time to recover, therefore it was uncertain whether

	<p>placements would be available, and progression to apprenticeship could not be guaranteed. The Principal/CEO advised that preparation for the College reopening was taking place. Certain learner groups were likely to return sooner rather than later. This would include various scenarios depending on the timing of the end of the lockdown and would incorporate social distancing measures. A meeting was taking place with Jane Hargreaves, LBB, to discuss learners in the borough to ensure all Year 11 destinations were tracked to prevent any learners becoming NEETs.</p> <p>Carole Ditty referenced a report regarding structuring a return to the office environment that her company had found useful. It was agreed that a copy of the report be provided to the Principal/CEO.</p> <p>Action: Number of learners accessing the remote health and wellbeing to be provided to the Corporation once received.</p> <p>Action: Number of learners currently engaged with English and Maths to be included in the report to the May Corporation meeting.</p> <p>Action: Carole Ditty to provide a copy of the Cushman & Wakefield report.</p>
7.	<p>Financial Sustainability in the months ahead</p> <p>The Chief Finance & Enterprise Officer (CFEO) reported that information and advice was changing all the time but the focus was on the most realistic scenario.</p> <p>The CFEO provided a summary of the College and Group position, highlighting a revised deficit from £3.2m to £1.8m taking into account the mitigating actions and savings between March and July 2020. Discussion took place on the mitigating actions: the job retention scheme claim, small balance re maternity leave, £150K savings negotiated with premises contractors and contingency balance of £270K. The CFEO advised that a small amount of adult funding was at risk because the ESFA had been unclear on reconciliation. It was unlikely there would be any clawback this year but this was the worst case scenario.</p> <p>The Chair encouraged the CFEO to think ahead into the following year based on assurances received from the ESFA and GLA to consider what actions needed to be pre-empted if there was no further funding.</p> <p>The Chair asked if there were any assumptions for apprentices that had been made redundant. The CFEO replied that assumptions had not been made on redundancies only on the furloughed position. The Chair stated that redundancies needed to be assumed and end point assessments needed to be considered.</p> <p>The Principal/CEO stated that ESFA allocation for non-levy finished at the end of July and therefore it did not align. There were no redundancies but there were furloughs and sensitivity for the short period needed to be explored.</p> <p>Bal Panesar questioned whether there would be further redundancies impacting on the non-levy and asked if there was a potential risk in terms of the £2m. The CFEO replied that the non-levy for the College had been achieved. The levy was the issue but apprenticeship income would be the biggest risk. The Chair stated that it would be beneficial for key assumptions to be provided going forward. This was agreed.</p>

The Principal/CEO advised that the College was working through every line and looking to mitigate wherever possible as everything was currently at risk.

The CFEO stated that bad debt needed to be monitored. The Chair asked whether increase in bad debt within profit or loss had been assumed. The CFEO replied that an increased provision had not been included in the forecast but this was now noted.

The CFEO reported that there was currently £761K of unfilled vacant posts with no agency cover. The posts, however, were being reviewed and posts not filled will be used to mitigate the forecast deficit.

The Chair asked for clarification on the 80% of agency staff being retained. The CFEO responded that during the Easter break the College had asked managers to highlight how many agency staff would be required to continue after Easter until the end of the academic year. 80% were retained which was included in the forecast. The Principal/CEO added that the 80% were predominantly teaching staff. A lot of agency staff had taught the learners over the year and given the grading process it would be risky to remove them at this stage.

Evelyn Carpenter questioned why furlough savings had been excluded in calculations for the subsidiaries. The CFEO replied that all three subsidiaries had forecast a combined deficit of £733k and furlough savings were shown as mitigating actions.

Evelyn Carpenter asked if there were other staff being furloughed that were not part of the subsidiaries and whether the savings were also not in the forecast. The CFEO advised that the savings figures were shown as mitigating actions and the furlough scheme numbers were still being finalised.

Sarkis Mazmanian queried the position at the start of the year and asked if it was possible to compare the current scenario against the predictions at the start of the year. The CFEO replied that the target surplus was £350K which reduced later in the year to £151k. This was included in the appendix.

The CFEO reported that the cash position was better than previously forecast but included the loan facility used during February and March. The Chair questioned whether this was the group position including the subsidiaries. The CFEO confirmed that this was the group position including £2m off the £3m loan facility.

The Chair queried why the College was using the loan facility. The CFEO responded that the facility would be reviewed in May to consider whether to pay some or all of the money, however, the loan could be recalled if needed. The facility was in place for three years from March 2019 and the current interest rates were low which was beneficial.

Carole Ditty noted that at the previous meeting it was stated that the loan would be repaid in April 2020. The CFEO advised that due to the current position the College is reviewing whether to pay £1-2m in May but could access the cash again if required.

The Principal/CEO advised that the issue was the forecast going forward and the risks. The biggest dip that would cause concern was after Christmas when the income declined. The Chair stated the need to look further forward and consider whether the College would need help to manage the costs.

In response to a query from Bal Panesar, the CFEO advised that the College needed c£2m for working capital which is why it was keeping cash in the bank.

The CFEO referred to capital projects stating that the College had won the bid from the GLA but would be required to match fund £376K. The College had asked the GLA of the possibility of receiving 100% funding but was awaiting a response. The College had received £20K support from the capital project application for the T-level capital (£20K was the application preparation support funding. As the College was still working through the project, a total project cost was not yet available). The intention was to upgrade E block but match funding of 50% was required and therefore the College had asked the DfE if the total funding could be available. A response had not yet been received.

The Chair asked whether the capital spend was included in the cash flow. The CFEO replied that the college annual capital spend was included but all match funded capital projects had been placed on hold.

The CFEO reported that there had been little communication regarding bank covenants. Unofficially the view was that banks may not enforce the covenants. The Chair asked when the College would be in breach of the covenants. The CFEO replied that this would be provided in the next report. In response to a query from Bal Panesar, the CFEO confirmed that the position could be estimated as at June 2020.

The CFEO stated that the subsidiary Boards had met to discuss the furloughing of staff. The Chair advised that the shareholders of the companies would be required to approve dissolution of the companies. The Clerk reported that the Minutes of the subsidiary boards would be presented at the next Corporation meeting and the Corporation would be required to approve any recommendations to dissolve a company.

The CFEO stated that the Broadway deficit would reduce due to the furloughing position, but it would still be c£100K. Apprenticeship works could break even and Aspire had a forecast £33k deficit. The Chair questioned whether this should be included in the debt write off as the subsidiaries could not earn anymore income.

The CFEO advised that the College needed to think about the future. In terms of 2020/21 the ESFA had confirmed the allocation for 16-18 funding and GLA for other funding but all other income lines were at risk. The Chair stated that the College needed to secure shorter term assumptions and plan forward. The priority was to be clear when the cash would run out and get ahead of the position.

Stuart Fraser noted that despite some £761,000 of unfilled vacancies and cost savings through furloughing under the Job Retention Scheme, the latest forecast showed that there would still be an overspend on pay of some £690,000 this financial year. The CFEO agreed to

	<p>check these figures and revert.</p> <p>The Chair referred to the cash flow and the assumed income being received in terms of the budget. He stated that these were the measures the Board needed to know and management of the situation needed to be tight.</p> <p>Bal Panesar suggested to move the graph to look out towards 2020/21 as well as including an additional scenario on the best position achievable.</p> <p>Action: Key assumptions to be provided in the report going forward. Action: The position at the start of the year against the current scenario to be provided. Action: Clarification on £690K figure to be provided.</p>
8.	<p>Staffing Update – Job Retention Scheme</p> <p>The CFEO reported that the College was paying 100% of the salaries of furloughed staff by making up the 20% (c£20K per month April - June) in addition to the government scheme. The Chair asked whether this was a conscious decision and the same as other colleges. The CFEO confirmed that most colleges were paying 100% of salaries. The Chair advised that as there could be a need to take people off the furlough scheme it would be sensible not to commit too far ahead. The Chair stated that 76 staff did not equate to 1% of staff being furloughed and questioned whether this was a reasonable balance. The CFEO responded that the 1% was based on pay expenditure not headcount. The Principal/CEO added that part of the rationale for furloughing staff was the guidance from DFE and influence of grant funding. Some of the posts being furloughed would be at risk going forward.</p> <p>Evelyn Carpenter questioned whether the College had maximised the furlough income and included as many staff as possible or whether there was more that could have been done. The CTO replied that the College had worked with managers to ascertain colleagues who could not carry out their work. The list may change and would be updated as appropriate. In response to a query from the Chair, the Principal CEO advised that structure and realignments were informed by the business planning process. The College needed the right people doing the right things. Current redundancies were based on original plans that had been shaped on the curriculum and business plan going forward.</p> <p>Stuart Fraser asked if the College would have to take back the furloughed employees on full pay if the job retention scheme ended in June as the Governments approach to relaxation of restrictions may not be consistent with the colleges return date. The Principal/CEO responded that once furloughing ended there were other options regarding staff. The Chair stated that this was a separate decision regarding salaries that would be required nearer the time. The Principal/CEO added that a lot of communication had taken place to ensure transparency and process. The agency budget was one of the key budgets to allow recruitment of specialist people.</p> <p>The Principal/CEO stated that the College could rotate furloughing as the impact became clearer and work to optimise recruitment. In response to a query from the Chair, the CFEO confirmed that the job retention scheme claims will be made in house by payroll who had the necessary gateway permissions.</p> <p>It was agreed that a further update would be provided in two weeks. The Chair stated that pensions should also be considered.</p> <p>Action: A further update to be provided in two weeks. Pensions to also be considered.</p>
9.	<p>Broadway Subsidiary and Strategic Review Update</p> <p>The Principal/CEO reported that the meetings undertaken by the consultant had stopped given the current position. All meetings to date had been very valuable and the intention</p>

	<p>was to help ensure the College developed a new strategy aligned to the College and borough's priorities as quickly as possible.</p> <p>Mark Bass, Chair of the Broadway Board, advised that some aspects of the report sounded damning, but the work undertaken had been what the Theatre Manager had been instructed to do. The focus in the past had been ensuring that the theatre at least broke even, but now the purpose of the theatre was being explored.</p> <p>The Chair noted that the report referred to the future composition of the Board for Broadway and this would need to be considered.</p> <p>The Chair advised that the focus of the College needed to be on getting the learners through the best way possible. The Principal/CEO highlighted the impact of no external exams, tests or assessments taking place this summer. The work required to complete the grading programme was going to be well in excess of what would normally take place but was vital to ensuring students were certificated by the end of the academic year.</p> <p>The Principal/CEO also stated that staff had embraced the current position and were continuing learning with an increased use of technology, however, key to planning going forwards was how to transfer this learning to the delivery next year and to ensure we had the right workforce to take this approach forward</p> <p>Agreed: That the current position be noted.</p>
10.	<p>AoB</p> <p>The CTIO advised that virtual open days would soon be taking place and these would be structured around specific areas and tailored to areas that were lacking in recruitment. The Clerk would send the links for the open days to Governors and Governors were asked to promote these through social media etc if possible.</p> <p>The Principal/CEO stated that the overview of income lines and risks would be provided as soon as possible.</p> <p>Action: Overview of income lines and risks to be provided to Governors as soon as possible.</p>
	The Chair thanked all those in attendance for their contributions and the meeting closed at 15.11pm

Agenda Item	Action	Responsibility	Timescale	Update
C/f	The implementation of a document management system be considered.	CFEO/Clerk	ASAP	Ongoing as part of GDPR
C/f	Online training to be completed by all Governors.	All	ASAP	Ongoing
C/f	Revised STAR subsidiary report to be presented when appropriate. Original business case to be included.	CFEO	ASAP	Ongoing

C/f	Remuneration Committee report and report on proposed Internal Audit arrangements for 2020/21 to be provided once agreed with the relevant committees.	Clerk	May 2020	Included on the Agenda
C/f and agenda item 6	English and Maths remote attendance and update on current position to be provided at the next Corporation meeting.	Principal/CEO	May 2020	Included in Principal's Report
6.	Number of learners accessing the remote health and wellbeing to be provided to the Corporation once received.	Principal/CEO	ASAP	Complete
6.	Carole Ditty to provide a copy of the Cushman & Wakefield report.	C Ditty	ASAP	Complete
7.	Key assumptions to be provided in the report going forward.	CFEO	ASAP	Complete/included
7.	The position at the start of the year against the current scenario to be provided.	CFEO	May 2020 (next report to the Corporation)	Included in the report
7.	Clarification on the £690K figure to be provided.	CFEO	ASAP	Complete
8.	Further update to be provided in two weeks. Pensions to also be considered.	CFEO	11 May 2020	Complete
AoB	CTIO to forward open day links for Clerk to circulate.	CTIO/Clerk	ASAP	Complete
AoB	Overview of income lines and risks to be provided to Governors as soon as possible.	Principal/CEO	ASAP	Included in report

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Signed.....

Date.....

Mark Farrar (Chair)