



Minutes of the Meeting of the Corporation, held on Monday 20 May 2020, 1.30pm via Microsoft Teams

- Present:** Mark Farrar (Chair)
 Mark Bass (Vice Chair)
 Yvonne Kelly (Principal/CEO)
 Andrew Brown
 Evelyn Carpenter
 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 Kettle - (Chief Operating Officer)

	Welcome and apologies for absence Apologies for absence were received from Stephen Mizen, Lisa Dee and Forhad Altafi.				
	2. Declarations of Interest Governors were reminded of their responsibility to declare an interest in relation to specific items on the Agenda if appropriate. The Clerk declared an interest in agenda item 11.				
3.	Minutes of the Previous Meeting – Monday 27 April 2020 The Minutes of the Previous Meeting held on Monday 27 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
	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	Clerk	May 2020	Included on the

	Internal Audit arrangements for 2020/21 to be provided once agreed with the relevant committees.			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

5. Chair's Actions

There had been no Chair's actions undertaken.

6. Principal/CEO's Report

The Principal/CEO reported that two members of staff were currently self-isolating and an increasing number of staff were also suffering from bereavements. The College had sadly lost a member of staff who retired last year to the virus. The Chair recorded his commiserations and best wishes to the family on behalf of the Board.

The Principal/CEO highlighted the current risks due to the impact of COVID-19 and advised that the report was based on the College's position, performance and planning to mitigate these risks. A separate risk register was being finalised to ensure these risks were adequately reflected.

Evelyn Carpenter noted that this was a sombre list of risks and questioned whether the College had the support of the unions in respect of the work taking place. The Principal/CEO replied that the national picture was mixed with regard to support from unions but UCU had been the more positive union in terms of the College. The Chief Transformation Officer (CTO) added that she was meeting with the Unions later that week regarding bringing learners back into College and consultations would continue. Relations were good at present. The Chair noted that the more consultation taking place the better.

The Corporation were informed that a number of previous actions had been progressed including the launch of the Wellbeing Hub for staff and the Virtual Enrichment Programme. The Principal/CEO reported that the remaining chrome books has been issued to LAC learners through the Student Bursary Fund. Supplies were now exhausted and the College was looking to purchase more equipment for the learners that needed it. Staff who were experiencing sight issues due to working from home had been issued £50 to assist with eye tests/purchasing of glasses etc and computer chairs were being issued where required to ensure health and safety requirements were met.

In response to a query from the Chair, the Principal/CEO confirmed that risk assessments had been undertaken and were available on-line.

The Chair asked if the College was able to claim for additional support if current funds had been exhausted. The Principal/CEO responded that this would only be through the bursary fund which the College had reallocated in order to purchase the required equipment.

The Principal/CEO reported that communication taking place was constant. The weekly Q&A leadership session had been welcomed by staff and an immediate feedback mechanism was in place.

The Principal/CEO advised that curriculum and business planning processes had been completed and the College was refocusing curriculum lines to ensure priorities aligned to the needs of the local community and the London economy in addition to meeting targets. The financial recovery plan was evolving, however, additional financial support, funding flexibilities and future plans for the sector were not fully formed. This was being shaped and influenced by the Commission on the 'Colleges of the Futures' in preparation for the spending review and the FE Reform White Paper. Additional projects would be a priority next year to achieve additional financial support.

The Corporation were informed that the position on agency staff would be considered once the grading process had been completed. Ranking all awarding body learners alongside the evidence was a huge task.

Stuart Fraser stated that he was unclear how certain the five short term priorities were and how would they affect income. The Principal/CEO replied that these were the AoC expectations and were not certain at all. The priorities were related to the white paper and the expectation was that there would be additional funding. The Principal/CEO confirmed that these were not included in the projections and the issue was whether the funding would go direct to colleges or via an alternative route.

The Chair asked whether the College had a feel for how many estimated grades it was required to submit. The Principal/CEO replied that grades were required to be submitted for all learners finishing this year which was in excess of 5000 learners who could have two or three qualifications each. The Chief Operating Officer (COO) added that the College was on track to complete GCSE grading as planned this week. All the grades had to be validated and

verified then all the learners had to be ranked. The process was being led by the Interim VP Curriculum & Quality and the team. The Principal/CEO advised that the process was driving the agency staff position as a lot of the agency staff were teachers and held the knowledge required for the grading.

Evelyn Carpenter stated that she was enormously impressed with the work taking place for the grading against a very tight timescale and recorded her thanks to the staff involved. The Principal/CEO noted that this would be passed onto staff at the briefing later that day.

Bal Panesar recorded his thanks and recognition of the challenge faced by the College. The Principal/CEO confirmed that all qualifications including ESOL were included on the grading basis.

The Principal/CEO advised that there was a concern that there would be an extra number of learners who would not be undertaking apprenticeships, national skills and retraining programmes. Releasing capital funds for equipment, software and building modifications was listed in the short term priorities but there were concerns over what has previously been loaned out. Consideration was also being given to guaranteeing grant income or a decrease in the delivery threshold in addition to costs to support the re-opening of colleges. Non grant income remained the highest risk for the College. Strategies were being put in place to mitigate this risk.

The CTO informed the Corporation that the College was planning to recall five colleagues from furloughing as from 1 June 2020. Furloughed staff were being encouraged to undertake training and a list of mandatory training had been made available. The furlough scheme was continuing as expected and would be reviewed/monitored based on business needs.

The Corporation were directed to the balance scorecard and the Principal/CEO advised that the key was keeping the learners in learning. Some of the areas for 16-18 had been impacted by the lockdown which began a few weeks before the Easter break but these were continuing to hold. Adult learners were benefitting from the remote learning in place.

Stuart Fraser asked whether there had been any communication from the DfE regarding T-levels/loT and how that may change. The Principal/CEO responded that there would be a big impact on T-level placements and how flexibilities would be put in place to allow these to continue. The loT meeting with the DfE would be determined by progress this year and performance against KPI next years. Data would be pulled together from all loT's to establish the wider picture and the DfE would then meet with colleges individually. Technical education and training was going to be key.

Stuart Fraser questioned whether employers and their forecasting of future activity could be a direct impact that had not yet been seen. The Principal/CEO replied that it was currently a mixed picture – some of the manufacturing was dropping but the position was dependant on the sector you were in. The Chair noted that the College should be prudent rather than optimistic with the position.

The Principal/CEO reported that the main issue was attendance which had declined due to learners disengaging and taking time to get back on track. Some learners were not in continuous learning for English and Maths but this was partly due to the grading process and their interpretation of the withdrawal of exams. Apprenticeships were working well. Overall attendance year to date was 80% against a target of 86%. The decline in attendance was predominantly 16-18 entry and level 1 but English and Maths attendance had declined further during lockdown and remained a concern.

The Principal/CEO stated that all systems, development and creativity taking place within the College had been tremendous. The Chair noted that health and physical issues had to be a priority.

Evelyn Carpenter referred to hardcopies being used in some cases by learners and asked if the College knew the percentage of learners who preferred to learn this way. The Principal/CEO responded that it tended to be adults using paper based information as it suited their needs.

The Principal/CEO referred to recruitment 2021 and advised that virtual open events had been a major initiative for the College. 300 people had participated and the events would be extended over the next few week. 16-18 and HE applications were currently behind profile as

the peak period had been missed due to the lockdown. Student progression was the number one priority. The Principal/CEO reported that she was meeting with Jane Hargreaves from the London Borough of Barking & Dagenham (LBBD) to ensure all 16-18 learners reached their destination in the borough. The College's summer marketing campaign was scheduled to commence in July with a high focus hybrid approach.

The Principal/CEO stated that self-assessment would be undertaken on remote learning and assessment of the quality of teaching and learning to enable an individual and college wide learning plan.

The Corporation were informed that the College would start to look at opening from the 1 June 2020 with the partial return of learners, particularly vulnerable and disengaged learners but work was currently taking place to collate which other learners this would include. Some learners were unable to complete as the technical skills required workshop access and some learners required additional evidence to complete. A matching exercise would then take place with staff which could continue into the summer. The intention was to finish any outstanding learners before the start of the new academic term.

The Chair stated that carryovers were a capacity and logistical issue. The Principal/CEO added that there was also no extra funding for learners carried over.

The Principal/CEO reported that the College was looking to re-open in September unless the Governments 5 point criteria was not met. The transition plan was underway and communication and consultation were the key issues. Different ways of communication were being explored but the main issue was keeping staff and learners safe. The Chair added that safety must always be the priority.

The Clerk advised that a Coronavirus Working Group was being considered in light of recommendations received from the Department for Education. The Group would be focussed on monitoring the transition plan and would meet in-between the now more frequent Corporation meetings. Membership for the Group would include the Chair, Vice-Chair, Principal/CEO and Executive Team, Head of Health and Safety, Designated Safeguarding Leads and the Clerk. The Designated Governors for Health and Safety and Safeguarding alongside Governors with experience in curriculum and legal would also be asked to sit on the Group. Terms of Reference had been drafted and further communication would be provided once these had been agreed with the Principal/CEO and the Chair.

Stuart Fraser questioned to what extent plans would be impacted in September if social distancing was still in place. The Principal/CEO replied that the College would continue to work remotely but the issue would be the practical elements for learners as they could fall behind. Plans would include reducing room size and the rotation of rooms. Learners would have to be prioritised at lunchtime and a booking system in place in the refectory. The vast amount of provision would remain remote and only those learners undertaking practical sessions would be required to attend the College.

Bal Panesar stated that some union representatives had been concerned about re-opening schools and queried whether the unions at the College had any concerns. The Principal/CEO replied that consultation had taken place with the unions regarding the LAC learners returning to College and the unions did not have any concerns. Bal Panesar added that the challenge was to ensure that the discipline permeated all the way through the College. The Principal/CEO advised that the College had the ability to rotate practical lessons but needed to consider other limiting factors such as travel for both students and staff. The College would need to get into meticulous, methodical habits.

The Chair thanked the Principal/CEO for a comprehensive and structured report and advised that there was no underestimation of the size of the challenge but it was clearly being led with ability. The Principal/CEO thanked the Executive Team for all their hard work which was endorsed by the Board. The Chair added his thanks to the Clerk to the Corporation.

Agreed: That the current position be noted.

7. **Financial Sustainability in the months ahead inc key assumptions and Draft Budget Forecast 2021 – First Draft**

The Chief Finance & Enterprise Officer (CFEO) advised that the financial sustainability reports had now been numbered in response to feedback from the Board.

The CFEO reported that the current forecast deficit was £54K higher than the last reported deficit of £1,801K. The reasons for the difference were explained to the Corporation including the reduced income for managing agents. There had been a decrease in projects income but both project income and expenditure had been offset and savings identified. The College had received the small business grant for the Headjogs subsidiary of £25K. The CFEO advised that the furlough schemes were fluid value for the College at circa £80K/month. The scheme was now being extended by the Government and the College would review this against business needs with the intention of bringing back furloughed staff when required.

The Corporation were informed that the reduction in income had a direct impact on the cash position but the College was still forecasting an estimated current cash position at the end of the financial year of £4.3m. This was a pessimistic view and did not include cash receipts for student fees, apprenticeship levy/non-levy for May – July income as this was uncertain.

The Chair queried whether the cash balance included the subsidiaries. The CFEO confirmed that it was the group position.

The CFEO reported that grant funded income was more or less certain and therefore a lower risk. The draft budget provided different modelling scenarios but the detailed budget was still being prepared. The different income achievement scenarios showed forecast deficits, however, mitigating actions would be added to the detailed budget.

The Chair stated that this was a good first attempt at dealing with the unknown. He noted that scenario modelling was the right way to approach this but stated that the top section felt as though it had a different dynamic with a degree of certainty. The Chair asked if high, medium and low risk could be provided instead of the percentages. The CFEO replied that the College was going through the business planning process and apprenticeships had been rag rated and provided with a risk level.

Stuart Fraser questioned whether pay expenditure had the flexibilities for change as the figures provided were the same regardless of income. The CFEO advised that the course file in business planning would provide a direct correlation to the starting budget.

The Chair noted that a scaling of what lied ahead had been provided, presenting some challenges and the College needed to ensure it was a step ahead of costs, curtailment etc.

The Principal/CEO reported that the COO and CTO were looking into staffing going forward. The objective was to make significant inroads into the agency budget to mitigate substantial costs and to challenge vacancy requests. This would ensure the roles added value and allow consideration into whether they could be delivered in a different way. The Chair added that the current position presented an opportunity and catalyst for the future.

	<p>Bal Panesar questioned the driver behind the revenue. The Principal/CEO replied that the agency in total was worth £1.9m. The CFEO added that there was a robust link to expenditure budget within the course file.</p> <p>The CFEO reported that the 2020/21 cash flow had been based on three scenarios, manageable within the budget. It was hoped to repay some of the £2m drawdown before July, however, the facility was available to be drawn back over three years.</p> <p>The Chair stated that the College had currently drawn down £2m of the loan facility and asked whether the forecast was assuming no further drawdown. The CFEO replied that there were no plans to drawdown further. The Chair added that this was a tight position given the uncertainty.</p> <p>In response to a query from Stuart Fraser, the CFEO confirmed that the 60% scenario would not result in a breach of the banking covenants. The banks had received the College's management accounts for January 2020 and were happy that the position was within covenant calculations. Banking covenants were calculated at the year end therefore as at July 2020.</p> <p>The CFEO reported that FRS102 had not been included in the budget forecast as this was not easy to predict. Holiday entitlement carried over by staff was also not included in the ESFA financial health calculations or banking covenants.</p> <p>Bal Panesar stated that capital need to be managed including a review of essential capital items. The CFEO stated there were two big open capital projects and one was focussed on SEND. The College had won the GLA bid but the GLA were unable to fund 100% of the project but were willing to discuss options. A response was still awaited from the DfE regarding the E Block project.</p> <p>The Chair stated that the capital project options would need to be considered and brought back to the Board to decide what was affordable.</p> <p>The Chair thanked the CFEO for his report, noting that it was key to manage the financial sustainability of the college.</p>
<p>8.</p>	<p>Subsidiary Board Minutes</p> <p>Andrew Brown (Chair of the Subsidiary Board's for Apprenticeship Works, Aspire and Headjogs) advised that a brief meeting for all subsidiaries had taken place to consider the furloughing of staff and noted that the wellbeing of staff had been discussed. The viability of Headjogs and one part of Aspire was being considered.</p> <p>Evelyn Carpenter stated that the Minutes made very sad reading for each of the subsidiaries and questioned how important commercial income from the actual shows had been to the Broadway Theatre in terms of planning for the future. Mark Bass (Chair of the Broadway Subsidiary Board) replied that the Theatre was often rented at a flat rate which limited income to the box office but generated good bar sales. Shows put on by the Theatre generated a good income and the Pantomimes ensured the Theatre was sold out for several weeks. Without the shows there was no income. The Principal/CEO added that the organisational review was looking into options for Broadway and to ensure a surplus was</p>

	<p>achieved whilst maintaining a positive contribution. Andrew Brown advised that Subsidiaries other than Broadway had been created to make a purpose – if they did not meet the purpose and generate a surplus then viability needed to be considered. In terms of finances, the projection for the expenditure on salaries was going to be lower due to the furlough position so that line would change over time but the income line could deteriorate. This needed to be monitored.</p> <p>Agreed: That the current position be noted.</p>
9.	<p>Internal Audit Update Mark Bass, Chair of the Audit Committee, reported that the internal audit review had been undertaken to tighten up the existing process and increase accountability from the Executive Team. Meetings had taken place with the Internal Auditors, Principal/CEO and Director of Finance & Estates. The process would continue to be managed through Finance but with an increased governance oversight and involvement. Stronger evidence would now be required to explain why audit recommendations had not been fully completed and progress dates would be scrutinised.</p> <p>Bal Panesar stated that the revised approach was a good move. Financial and accounting becomes an ambiguity between auditing and process and it was important to establish the ownership of issues from internal or external auditors or within the organisation. Realistic and achievable timelines must be set.</p> <p>Approved: That the revised internal audit process 2020/21 be approved.</p>
10.	<p>AoB Stuart Fraser asked if there would be a debrief focusing on public transport/travel to work. The Principal/CEO advised that this would be reported accordingly as the College was working through the issues affecting the return of learners.</p>
11.	<p>AOB</p>
12.	<p><i>The Principal/CEO, College staff and Staff Governors withdraw from the meeting.</i></p> <p>Remuneration Report <i>This Agenda Item was minuted confidentially under Instrument 17 (2) (d).</i></p> <p>Date and time of next meeting – Monday 15 June 2020, 11.00am</p>
	<p>The Chair thanked all those in attendance for their contributions and the meeting closed at 15.05pm.</p>

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

Signed.....

Date.....

Mark Farrar (Chair)