

Minutes of the Corporation Meeting Held on Tuesday 28 March 2023

Present: Damien Bourke, Simon Boyle, Phill Brown, Malcolm Bruce, Jonathan Frankham, Rachael Frankland, Karen James, John Lyne (Chair), Jackie Moores, Elaine Price, Chris Rushton, Arsana Subba

Nils Elgar, Clerk to the Corporation

In Attendance: Dave Dobson (Executive Director Finance, Estates MIS and IT), Leon Dowd (Deputy Principal Quality and People), Nicola Welland (Deputy Principal Curriculum)

ACTION

22/23.55 Apologies for Absence

Resolved: The Board of Governors resolved to accept the apologies of Kirk Cornwall and Shayer Hussain. **Accepted**

22/23.56 Declarations of Interest

It was noted that Jonathan Frankham had a standing declaration that he was an employee of the Education and Skills Funding Agency (ESFA), the College's principal funder and regulator. **Noted**

22/23.57 Minutes of the Meeting Held on 14 February 2023

Resolved: The Board of Governors resolved to approve the minutes (including the confidential minutes) of the meeting held on 14 February 2023. **Approved**

22/23.58 Matters Arising

This minute is confidential as it contains information that is held in confidence.

22/23.59 Minutes of the Audit Committee Meeting Held on 7 March 2023

The Clerk to the Corporation commented that the key item of business was the appointment of an external auditor, which would be taken forward as its own agenda item later in the meeting.

Resolved: The Board of Governors resolved to note the minutes of the Audit Committee meeting held on 7 March 2023. **Noted**

22/23.60 Key Discussion Topic: Sustainability Strategy

Elaine Price joined the meeting at the start of this item.

The Executive Director Finance, Estates gave a presentation on the proposed Sustainability Strategy and Policy:

- (i) context:
 - the UK target was to be carbon neutral by 2050;

- the Greater Manchester Combined Authority (GMCA) objective was to be carbon neutral by 2038;
- the College's carbon emissions for 2020/21 were 800t;
- the College adopted the FE Roadmap to Net Zero in March 2022;
- (ii) progress to date:
 - CO₂ usage between 2019 and 2021 had reduced from 1,185 to 800t, which had been achieved through reduced activities on site; improved buildings (which continued work would promote) and technology updates;
 - Hillside Environmental had been engaged to provide a carbon reduction plan. The report, due in May 2023, would include suggested investments to reduce impact;
 - energy monitoring software would be trialled in Clarendon Sixth Form in April 2023;
 - the Sustainability Strategy and Policy had been developed, based on feedback from a working group;
- (iii) Sustainability Strategy and Policy:
 - Vision – to achieve net zero carbon by the end of 2038;
 - establishes strategic aims:
 - develop a carbon reduction plan, which is then monitored and resourced as part of ongoing financial planning;
 - develop the understanding and skills of staff and students in relation sustainability within the workplace and their daily lives. This is to include the environmental impact of travel;
 - embed sustainability planning into all estates work on campus, seeking net zero carbon emissions on any new buildings, carbon reduction on any refurbishments and develop green spaces to support biodiversity;
 - include sustainability in procurement and the supply chain;
 - promote sustainability in the use of resources;
 - engage with local stakeholders to promote the understanding and skills in sustainability;
 - establishes structure, responsibilities and reporting;
 - marking progress and gaining momentum – a steady process was wanted to avoid overreach;
 - key timeline:
 - March 2023: Approve Sustainability Strategy and Policy;
 - April 2023: Publish 2022 Streamlined Energy and Carbon Reporting (SECR) data;
 - May 2023: Sustainability Oversight Group meet to;
 - agree terms of reference for group and the sub-groups;
 - establish the sub-group membership;
 - consider carbon reduction plan;
 - May / June 2023: Develop investment strategy;
 - September 2023 onwards: Groups and reporting established.

Issues considered by Governors included:

- (i) a view that the that the goal of the GMCA and College of being net zero (carbon) by 2038 appeared very ambitious;
- (ii) the one or two actions that would reduce emissions the most. It was noted that these were a reduction in energy usage and the take up of new energy technologies. A view was expressed that these two actions in themselves would not get the College to net zero and whether offsetting would be needed. It was noted that this was the case;
- (iii) a suggestion that the College should make use of the procurement network across Tameside (which also included the hospital and Local Authority). It was noted that the College was already engaged in good practices such as this.

Resolved: The Board of Governors resolved to approve the Sustainability Strategy / Policy.

Approved

22/23.61 Principal's Report Including KPIs

The Principal reported the following points:

- (i) the Ofsted Research Visit for 16-19 Catch up Fund planned for Friday 24 March did not take place as scheduled and a new date was being sought;
- (ii) as a recent recipient of the Further Education Capital Transformation Fund (FECTF) monies, the College was not eligible for the final round of capital funding, which was being shared according to a formula;
- (iii) mock exams had recently taken place with the results being reviewed after the Easter break;
- (iv) no new money was expected in 2023/24, but the sector would benefit from recycling of existing funds (from the ESFA and GMCA);
- (v) the College had its sixth set of Department for Education (DfE) immersion visitors. The focus was on T-Levels and estates / capital. This provided an opportunity for the College to influence the policy designer and decision makers,
- (vi) despite support from the GMCA, the Greater Manchester Colleges Group (GMCG) had not been successful in its £500k Innovation Accelerator bid;
- (vii) budget announcements:
 - the GMCA had been offered deeper devolved powers. However, the budget announcement fell short of what the GMCA had wanted, with some requested powers remaining with the DfE;
 - additional free childcare for College staff would help staff returning from maternity leave;
- (viii) KPIs:
 - retention remained high, with 95% for 16-18 and 98% for 19+ (96% overall);
 - the apprenticeship achievement rate was forecast to be 68% (up from 67% the previous year). The maximum possible was 72%. It was acknowledged that some apprentices would lose their jobs or move to another role;

- overall attendance was 87% and 77% in English and Maths. Other colleges were similar;
 - learner satisfaction remained high;
 - recruitment remained strong. The College continued to exceed its 16-18 learner number allocation but would not receive any in-year funding. Accommodating these students was now a very real issue;
 - apprenticeship growth was strong at university level but not for colleges, where new starts were only recovering slowly after COVID;
 - staff absence had decreased from 7% to 5%, although COVID was still present;
 - staff satisfaction remained high at 85% (down 1%-point from the previous year);
- (ix) a variety of Top News stories, including the three students from the College that would be attending the WorldSkills International competition in France next year.

Governors were content with the report as presented and noted that the Top News Stories were also pushed out on social media.

Resolved: The Board of Governors resolved to note the Principal's Report Including KPIs.

Noted

22/23.62

January Finance Report and Mid-Year Update

The Executive Director Finance, Estates, MIS and IT reported the following points:

- (i) January Finance Report:
- the budgeted outturn for the year was for a surplus of £622k;
 - as at 31 January 2023, overall actual to budget variance was £463k favourable, and was made up of £80k adverse variance in income, £746k favourable variance in pay costs (including agency) and £204k adverse variance in non-pay costs;
 - the overall favourable position in the year-to-date was largely due to the impact of staff turnover on budgeted pay costs, offset against increased agency cover, increased recruitment costs, inflationary pressure on non-pay costs and a reduction in apprenticeship income;
 - the variance on budgeted pay costs was due to increases in staff turnover and was not unique to the College, nor the sector. Wherever possible, vacant posts were covered internally, with agency staff used where it was needed for continuous service provision. The savings from vacancy management offsets the costs of covering and recruiting for vacant posts;
 - College capital expenditure was in line with that planned. Most of the approved capital of £650k had now been allocated. Funded capital projects were being monitored for cost increases, with amendments being made to ensure projects remained on budget;

- (ii) Mid-Year Update:
 - as a result of the Mid-Year Update, the forecast outturn was for a surplus of £658k, an improvement of £36k on the budgeted outturn;
 - boilers in the training and assessment centre of the new Construction Skills Centre had been determined to be unfit for purpose. Quotes were being received for the purchase and installation of appropriate boilers, with the first quote received at £85k. This compared with paying £97k for assessments to be done at an external assessment centre over the next 12 months. It was proposed to allocate an additional £85k capital expenditure;
 - the forecast outturn for the year was due to deliver an outstanding ESFA Financial Health and a cash balance of £7,297k (against an original budget of £5,797k). The increase in expected cash was a reflection on an increased opening balance and movement in current assets;
- (iii) budget planning for 2023/24:
 - the Deputy Principal Quality and People indicated that staffing and recruitment was a key issue for the year ahead. It was noted that the trade unions had submitted a pay claim in respect of 2023/24 to the Association of Colleges' (AoC). The claim was for 13.4% RPI + 2% on all pay points. This was clearly unaffordable in the current context. However, the Executive Team was very cognisant of the ongoing cost of living crisis and were again considering the most the College could afford in terms of a staff pay award for the following year. One option being considered again was to reduce the planned surplus for the current year to help fund any pay award;
 - the planned reprofiling of payments from the ESFA meant that cashflow issues for the College had been mitigated during a period of significant capital expenditure;

Issues considered by Governors included:

- (i) the Principal's disappointment and frustration with the situation regarding the boilers that were not fit for purpose. Governors agreed that would be better to have these sorted than pay to have assessments carried out elsewhere. It was noted that the College would seek compensation from the mechanical and electrical engineers;
- (ii) the increase in utility costs in T1 which had risen by between £100k to £200k;
- (iii) vacancy management, which created increased workloads on teams where there were vacancies;
- (iv) staff pay award for 2023/24. It was noted that strikes had been taking place across 30 colleges and trade unions were keen to maintain momentum. The Deputy Principal Quality and People indicated that recruitment and retention was a growing issue. A benchmarking exercise had shown that College pay was not the worst but not the best either and so

the non-pay conditions of employment needed to be the best that they could be. By way of example, an A Level teacher at the College was paid £37k but could get £44k for the same role at a sixth from college. The pay differential with schools was even higher;

- (v) whether any pay award would include recurrent costs. It was noted that the College would need to model pay costs into future years to inform any decision about any consolidated versus non-consolidated payments. A key consideration was the anticipated growth in 16-18 student numbers until 2027/28 before a demographic downturn started;
- (vi) that retention was likely to be cheaper than recruitment and would almost certainly be better for both quality and the student experience.

Resolved: The Board of Governors resolved to note the January Finance Report. **Noted**

Resolved: The Board of Governors resolved to approve an additional £85k of capital expenditure in 2022/23. **Approved**

Resolved: The Board of Governors resolved to approve outcome of the Mid-Year Update **Approved**

22/23.63 **Estates Development Update**

The Executive Director Finance, Estates, MIS and IT reported the following points:

- (i) an update on current capital projects;
- (ii) that the FECTF project (£11.5m with £4.6m grant) had been divided into Project A (Brickwork & Animal Management) with completion by September 2023 and Project B (Motor Vehicle) with completion by September 2024;
- (iii) the tender responses to both projects had not resulted in any concerns, as yet, in relation to the overall cost of the project, although it was felt that the new build (Project B) was more likely to experience cost pressures;
- (iv) a change request had been submitted to the ESFA for a slightly bigger floor space. The College would also ask for inflation funding at the same time;
- (v) a decision was expected on the College's Capacity Development Fund bid (£3.95m project with £3.75m grant) for the expansion of Clarendon Sixth Form;
- (vi) a decision on the T-Level Wave 5 bid in relation to the delivery of Construction and Agriculture, Environmental & Animal Care T-levels (£1.7m project with £1.7m grant) was due in May 2023.

Resolved: The Board of Governors resolved to note the Estates Development Update report. **Noted**

22/23.64 ONS College Reclassification

The Executive Director Finance, Estates, MIS and IT reported the following points:

- (i) since the last update, additional guidance has been issued by the DfE in the form of bitesize guides on the following topics:
 - senior pay controls;
 - write-offs and losses;
 - special payments, including severance, compensation and ex-gratia payments;
 - indemnities, guarantees and letters of comfort;
 - novel, contentious and repercussive transactions;
- (ii) proposed changes to the College's Financial Regulations were to meet the new guidance;
- (iii) a change to the Remuneration Committee's Terms of Reference would be taken forward at the next meeting of that Committee;
- (iv) there was still some uncertainty in relation to the guidance on non-disclosure agreements.

Resolved: The Board of Governors resolved to note the ONS College Reclassification report.

Noted

Resolved: The Board of Governors resolved to approve the proposed changes to the Financial Regulations.

Approved

22/23.65 Appointment of External Auditor

Damien Bourke (Chair of the Audit Committee) reported the following points:

- (i) tender interviews for the role of external auditor had been held immediately prior to the last Audit Committee meeting;
- (ii) three firms had submitted bids. Two were shortlisted for interview with the third eliminated on price;
- (iii) while both interviewees were strong, Wylie and Bisset LLP was determined to be the preferred supplier.

Resolved: The Board of Governors resolved to approve the appointment of Wylie and Bisset LLP as the College's external auditor for a period of three years, with the option to extend by up to two further years.

Approved

22/23.66 Update on Governor Engagement and Development Activities

The Clerk to the Corporation reported the following Governor engagement and development activities had been recorded since the date of the last Board meeting:

- (i) 15.02.23 – Kirk Cornwall attended HE Event at Clarendon. He also had a CEIAG update from Emma Armitage;
- (ii) Feb 2023 – Kirk Cornwall completed National Governors' Association (NGA) 'H&S for Governors' Training Module

- (iii) 23.03.23 – in his role as Link Governor for Construction, Phill Brown attended the GMCG Construction Skills Competitions (at Tameside College);
- (iv) 28.03.23 – Phill Brown and John Lyne attended the Governor Learning Visit to Health, Social Care and Early Years.

John Lyne added that earlier in the day, in his role as Link Governor for English and Maths, he had met with the Deputy Principal Curriculum to discuss English and Maths provision. He also met with the Executive Director Finance, Estates, MIS and IT to discuss the Mid-Year (financial) Review

Positive feedback was given on the Governor Learning Visit to Health, Social Care and Early Years, including the passion of the teachers, the engagement of learners and some impressive facilities and equipment. Governors were encouraged to attend these learning visits.

Resolved: The Board of Governors resolved to note the verbal update on Governor Engagement and Development Activities. **Noted**

22/23.67 Items for Noting

(i) Chair's Action

Resolved: The Board of Governors resolved to note that no Chair's Actions had been taken since the date of the last meeting. **Noted**

(ii) Use of the Seal of the Corporation

Resolved: The Board of Governors resolved to note that there had been no use of the Seal of the Corporation since the date of the last meeting. **Noted**

(iii) Procurement Activity and Approvals

Resolved: The Board of Governors resolved to note the Procurement Activity and Approvals report. **Noted**

(iv) Interim Report on Governor Attendance 2022/23

Resolved: The Board of Governors resolved to note the Interim Report on Governor Attendance 2022/23 (84%). **Noted**

22/23.68 Time and Date of Next Meeting – Tuesday 23 May 2023

The Chair reported that the date of the next meeting was Tuesday, 23 May 2023 (to be held via Teams).

Minutes formally approved by the Corporation:

Chair

Date