

Minutes of the Corporation Meeting held on Monday 12 July 2021

Present: - Mervyn Jones (Chair)
Abigail Appleton (Principal)
Jennette Arnold OBE (Teams)
Professor Robin Baker OBE
Stevie Callender
Daniel Fox
Dr Mia Gordon (Teams)
Joe Hedges
Clive Hodgeman
Jordan Knight
Tim Newsholme
Mike Rookes (Teams)
Kay Sandford-Beal (Teams)
Scott Rolfe (Teams)

In attendance: - Justin Gregory (Head of HE)
Xaviere Hughes (Head of FE)
Linda Watkins (Clerk to the Governors)
Tim Williams (Finance Director)

The meeting was quorate as fourteen Governors were present during the meeting either in person or on Teams as indicated above.

1. Process of the Meeting

- I. Apologies for absence were received from Ellie Arbuthnott, Peta Darnley, Hannah Jones, John Nicol and Katie Seekings.
- II. The Chair welcomed everyone to the first meeting which was the first to be held in person since lockdown in March 2020. A few Governors joined the meeting on Teams.
- III. There were declarations of interest regarding the appointment of Chair and Vice Chair of the Corporation for 2021/22 and from Jennette Arnold who is a trustee of Global Action Plan, a sustainability charity.

2. Minutes of the Last Meetings

- I. The Board agreed the Chair should sign the minutes of the meeting held on 26 April 2021 as a true record.
- II. Matters arising were outlined in the action list showing actions had been completed.

The Board agreed: -

- To approve the minutes

3. Principal's Report

- I. The Principal highlighted key points. HE recruitment would be part of the discussion on strategic priorities. Outcomes from the Government's consultation on changes to reshape post-16 level 3 education as a binary offer

to students of A Levels and T Levels will be announced in the autumn. There is opposition in the post-16 sector; Principals from Hereford colleges have met Jesse Norman MP to express concerns about the proposals. The Skills Bill is progressing through Parliament which focuses on a new range of Level 4 and 5 technical qualifications; the College is reviewing its HE portfolio.

The Summer Festival of Arts was an outstanding achievement and end of year celebration for students and received positive feedback from visitors regarding the high standards and quality of the show. The College is identifying necessary actions required to address the regulatory guidelines from Ofsted and OfS regarding sexual harassment in education.

Questions were invited deriving from the report.

An update on progress of the lease with Herefordshire Council for the chapel wing and hive was requested. This is being negotiated and will provide a studio theatre and access to additional facilities for Performing Arts and Popular Music degrees. Foundation and Portfolio courses will also be relocated to College Road Campus. Station Approach accommodation will be available for student occupancy in September. Governors congratulated the Principal and team on these achievements, particularly during the pandemic. The Principal paid tribute to both staff and students' resilience and work ethics. In response, a Student Governor applauded staffs' support, also commending the invitation to last year's graduates to exhibit at the show suggesting continuing this opportunity to previous years' graduates if possible.

- II. The risk register showed specific changes to risks and scoring noting that changes were made in response to discussion at the last Board meeting and Audit Committee. The risk regarding the FE Skills White Paper had been increased pending additional detail. The risk of cyber security had been added; the internal auditors will review this area in 2021/22.
- III. The Principal gave a presentation titled 'The Race to Zero for Universities and Colleges' reminding Governors that the Board adopted a sustainability statement in December 2019. The Climate Commission is encouraging colleges to sign up to 'Race for Zero' which would set a net zero target for emissions. The College has an active staff and student sustainability group evidencing strong commitment and support. This college is at the early stages of following the Climate Commission for FE roadmap. The AoC lead on sustainability will be speaking to our sustainability working group this autumn to make more progress on this, some Governors could be invited. A number of colleges are in the process of developing sustainability plans which is gaining prominence. The College supports sustainability which is evidenced by support from both courses and faculties in promoting sustainability. Student questionnaires could be used to gauge opinion of sustainability and outcomes publicised. Governors were supportive with suggestions including exploring small scale investment to counteract global warming and make an impact; planting trees, green walls and a flower meadow on a roof which would be relatively low-cost investments which would have an impact and make visual statements. The F&GP Committee have agreed to review capital projects which could include a sustainability capital investment programme. All investments need to be approached carefully to ensure that sustainability is taken into account including selection of materials. **ACTION: PRINCIPAL/FINANCE DIRECTOR**

The Board agreed: -

- To note the reports

- To commit to sign up to becoming carbon neutral by 2030 for scope 1 and 2 emissions as defined in the Climate Commission Roadmap and by 2050 on the assumption that there will be capital investment from government to enable colleges to meet the statement
- Published plans from colleges who are committed to become carbon neutral would be considered before making further proposals. These would be based on progress made by other colleges. The F&GP Committee would discuss options further in the future. **ACTION: PRINCIPAL**

4. Strategic Priorities 2021/22 [A confidential minute was recorded]

5. Finance Report

The Finance Director presented the budget 2021/22 and financial forecast explaining that the College is required to submit a budget and financial forecast to ESFA by 31 July 2021. The F&GP Committee had discussed the budget in detail, considering several scenarios, concluding that the budget should be calculated based on recruiting 80 level 4 students in 2021/22 and 120 in 2022/23. HE recruitment has the most significant impact on the College's finance. It is anticipated that enrolments will increase following the recent open day and actions undertaken to implement the strategic priorities will create growth in HE. ESFA grant allocation has been confirmed and incorporated in 2021-22 budget which follows the lagged funding methodology based on the previous year; therefore, this is assumed even if recruitment increases this year.

The College's financial health will move to the category 'requires improvement' based on lower HE recruitment in 2021/22 and its cumulative impact on the following three years. The EBITDA (education specific) is forecast to be £116k negative which means cash balances will be eroded and the net cashflow from operating activities will not fund capital expenditure. A deficit of £825k is forecasted with payroll as a percentage of income increasing to 69%. There is a reduction in cashflow in-year. This position cannot be maintained in the long term.

The cashflow during 2022/23 was forecast to decrease in March and April but would increase in May due to the timing of receipt of income from the student loans company paid at 25% in Feb and Oct and 50% in May. An overdraft facility would need to be investigated with the bank. Finances would be closely monitored and reported regularly to the F&GP Committee and Board. The College has regular discussion with ESFA.

A Governor asked if there were any financial issues regarding the property lease with Herefordshire Council. The Finance Director responded that costs for rent, utilities and equipment have been factored into the budget; however, there is a risk that there could be some unknown costs.

The Board agreed: -

- To approve the budget 2021/22 and financial forecasts which would be submitted to ESFA in the new College Financial Forecasting Return (CFFR) by the 31st July 2021
- To thank the Finance Director for preparing the budget and explanation
- To note the management accounts to May 2021 which had been discussed by the F&GP Committee

6. Governance

Recommendations were made by the Audit Committee and Search and Governance Committee.

The Board agreed: -

- To approve RSM, Internal Audit Strategy 2021/22-2023/24

- To approve Mazars, Audit Strategy and Memorandum to 31 July 2021 noting that the fees are subject to change due to an additional funding audit, confirmation is awaited.
- To approve the Health and Safety Policy Statement
- To appoint Judy Balderson and Dr Joanne Horton respectively as Audit Committee and AQ&S Committee (HE) Co-opted Members for a 1-year term in office
- To appoint Mervyn Jones and Tim Newsholme as Chair and Vice Chair respectively for 2021/22
- To note the assessment against the AoC Code of Good Governance. There were three medium-level recommendations from an internal audit of HE which were outlined. The College is required to prepare and publish an equality and diversity annual report, ensure all Governors complete and return annual declarations and prepare an annual calendar of OfS returns. These were being addressed
- To note the Board and Committees' business timetable 2021/22
- To note feedback from the Chair and Vice Chairs' one to one discussions with Governors which had identified some suggestions which would be implemented. This had been a useful process with regular reviews to be arranged every 18 months. Thanks was recorded to Governors for their input and participation in the process particularly Independent Governors' offer to support SLT outside of formal meetings

7. Minutes (draft) and summary of recommendations from Committees

The following minutes from Committees were noted: -

- I. Academic Quality and Standards Committee: 29 June 2021
- II. Audit Committee: 14 June 2021
- III. Finance and General Purposes Committee: 28 June 2021. The Principal informed Governors that there had been a RIDDOR incident with the HSE notified who would investigate. The Health and Safety Designated Governor had been notified and the incident was outlined.
- IV. Search and Governance Committee: 28 June 2021.

8. Any Other Business

The Chair recorded appreciation to Jordan Knight and Ellie Arbuthnott who have been excellent Student Governors. He also thanked Dan Fox who would be stepping down as Staff Governor (Professional Services) due to family commitments. This was also the last Board meeting for Scott Rolfe and Mike Rookes who have agreed to continue to service on the F&GP Committee and Audit Committee respectively to provide their valuable input for a little longer. Governors echoed the Chair's words.

The Principal's outstanding leadership of the College during a difficult year was recognised with gratitude to SLT, staff and students for their accountability, ongoing hard work and achievements during the pandemic, which they should be proud of. Governors concurred with this.

9. Date and Time of Next Meeting

The next meeting would be on Monday 18 October 2021 commencing at 4.30 pm