



**Minutes of the Meeting of the Corporation
held remotely on Tuesday 14 December 2021**

Present: - Igor Andronov (Chair)
James Caird
Julia Cotton
Tony Ford
Laura Johnston
Debbie Lambert
Alan Layng
Jeremy Nicholls
Ben Whiteley
David Williams (Principal)

In attendance: - Jo Ricketts (Deputy Principal)
Edward Gwillim (Director of Finance)
Debra Baldwin (Director of Personnel)
Linda Watkins (Clerk to the Corporation)

The meeting was quorate as ten Governors were present at the meeting which was held remotely.

- | | Action |
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| <p>1. I. Apologies for absence
Apologies were received from Adam Matthews.</p> <p>II. The Chair welcomed everyone to the meeting.</p> <p>III. Declaration of Interest
There were no declarations of interest.</p> <p>2. I. Minutes of the last meeting
The Board agreed that the Chair should sign the minutes of the Board meeting held on 19 October 2021 as a true record.</p> <p>II. Matters arising
Discussions with Cambrian Training regarding delivery of apprenticeships in Wales had not progressed; alternative options are being explored.</p> <p>III. Notes from Governors' Workshop: 19 October 2021 - noted</p> | |

The Board agreed: -

- To approve the minutes

Discussion

3. **Principal's Report**
- I. The Principal had prepared a written report which was noted with specific points discussed. The Apprenticeship Awards evening had been held face to face with appreciation to Governors who had attended. Meetings with external organisations were summarised including the Pro Vice Chancellor at NMiTE. The

first cohort of students have been enrolled with the second cohort enrolling in January. HLNSC are part of NMiTE's Student Protection Plan to provide teaching and learning for students in the event that NMiTE was unable to provide this.

There have been a total of 147 positive cases of Covid-19 across all campuses to date. This had included LSAs at Walford Campus who work extremely closely with students; however, infection had been contained which was not considered an outbreak by the outbreak HUB. Ludlow College had a relatively high number of cases although these were not in specific areas. There was a confirmed outbreak in one of the Nurseries which had been addressed. The College is following government guidance and had already requested staff and students to take daily LFTs if they are in contact with a positive case. There are plans in the event that a national lockdown is implemented.

ESFA have commissioned PWC auditors to complete a funding audit. In November the College had supplied PWC auditors with all information requested to complete the funding audit. PWC are behind schedule and confirmed at a follow up meeting with the senior auditor that the audit will be completed mid-January; this will prevent signing off the financial statements. ESFA have agreed to extend the date for submission of the financial statements to 31 January 2022.

Alyson Moon, Assistant Principal of the Faculty of Community Studies and Landbased Studies will retire this term. She had effectively managed the faculties with appreciation recorded. The Board echoed this and wished Alyson Moon a happy retirement.

- II. The Annual Operating Plan (AOP) was based on the strategic plan's key objectives with input from CMT. The AOP would be reported to the Board regularly. A Governor commented that this was an excellent document linked to the strategy and would provide regular reports on progress to embed the strategy.
- III. The F&E Committee had discussed the report requested by Governors to quantify the impact of the shortfall of the critical reductions in enrolments to 16-19 programme funding and HE enrolments. This was subsequently revised for the Board meeting. There is a shortfall of £440K HE income this year. 16-19 funding is lagged which will not reduce funding until 2022/23 estimating a shortfall of £1.4M, (this was anticipated to be c£1.2M based on an increase to funding next year). The ILR tariff report received had matched this prediction.

A summary of cash generated, assuming that the budget is achieved, was provided for the years ended 2022 and 2023. In 2022/23 enrolment shortfalls have been assumed which show a negative net cash change of £968K. Year-end cash remains good in 2022 and 2023 confirmed by the financial statements' auditors that the College is a going concern.

In the event that enrolments do not increase in 2022 costs will need to be reviewed. CMT continually review natural

opportunities to reorganise staffing and reduce outgoings. It was noted that delivery across multi-site campuses creates challenges to react to changes to student numbers. It is also challenging to predict numbers in advance of enrolments.

A Governor asked if CMT had identified any actions for consideration at this stage. There had been discussion about the policy to introduce course fees and materials costs at the start of courses; however, it was difficult to gauge if this had a negative impact during the unprecedented year with Covid-19. Last year the College had limited contact with schools, no face to face visits or visits to College by applicants which was likely to have affected enrolments. A Governor asked if conversion of application to enrolments was variable across campuses; this was traditionally reasonably static in Hereford but had changed this year. The admissions team will track enrolments by individual schools to ascertain trends and the impact on enrolment. Detailed granular information is being prepared for CMT to formulate proactive marketing plans.

The Board agreed: -

- To approve the AOP and thank the Principal and team for preparing the comprehensive reporting document
- To note the impact on the shortfall in enrolments which are cushioned by the strong balance sheet and cash reserves
- The Board would receive regular updates on student applications and monitor finances including the 24-month cashflow forecast

4. KPIs

The Deputy Principal presented the KPIs. Overall retention is above target at 99.6% and comparable to the same time last year. Attendance rates are excellent and exceed the 90% target in all faculties except Oswestry Campus. There was discussion about reasons students did not attend noting some have complex issues, including mental health and anxiety; the safeguarding and wellbeing mentors provide support. English and maths attendance had improved this year following reintroduction of classroom-based face to face delivery. These are being monitored with prompt follow up and investigation of student absence. Governors were encouraged by the high levels of retention and attendance to date.

Apprenticeships have been affected significantly by the pandemic with some apprentices furloughed by their employers resulting in breaks from their learning. This had affected the best-case timely achievement which is currently 79.9% with 82% timely achievement at this stage in the year. Support is being provided for apprenticeships including delivery of additional practical teaching to recover timely and overall delivery this academic year.

Decisions

5. Annual Assurance Reports for Approval

- I. RSM Internal Audit Service Annual Report to 31 July 2021 had been discussed by the Audit Committee. The Chair of Audit Committee referred to the audit opinion which is positive and the second level of assurance normally awarded to FE colleges.

- II. The Audit Committee's Annual Report to 31 July 2021 outlined the detailed work of the Audit Committee. The opinion, based on the adequacy and effectiveness of the Corporation's assurance arrangements, framework of governance, risk management and control processes, for the effective and efficient use of resources, solvency of the institution and safeguarding its assets stating that the Governors can put reliance upon internal control systems established.

The Board agreed: -

- To receive RSM Internal Audit Service's Annual Report to 31 July 2020
- To receive the Audit Committee's Annual Report to 31 July 2020
- To thank the Director of Finance and team who have moved the internal audit process back on track this year

6. Report and Financial Statements for the year ended 31 July 2021

The Audit Committee had been extended to all Governors for the item to discuss the draft report and management letter. The F&E Committee had also discussed financial aspects of the draft report. To date, and based on the audit, Mazars' gave the audit opinion that the Corporation has adequate resources to continue its operation as a going concern. However, the funding audit commissioned by ESFA would need to be taken into account by Mazars to confirm the final financial statements.

The Board agreed: -

- To approve the Regularity Self Assessment Questionnaire (statement of regularity, propriety and compliance) presented to the Audit Committee for signature by the Chair and Principal
- To approve the Members' Report and Financial Statements for the year ended 31 July 2021 in principle; any amendments resulting from ESFA's funding audit would be approved by special resolution
- To approve letters of representation 2021 in principle, for signature by the Chair
- To record appreciation to the Director of Finance and team for preparing the financial statements

7. Quality

The Q&S Committee had discussed the following items in detail recommending for Board approval.

- I. The College Self Assessment Report (SAR) provided evidence of quality processes, indicated the College's direction of travel and gave a summary of the judgements for the whole College based on Ofsted's Education Inspection Framework (EIF). The SAR will be uploaded to Ofsted in January 2021.
- II. The Annual Quality Report - Higher Education Action Plan provided a summary of performance, curriculum development, tracking progress and status of actions during the academic year.
- III. The Single Equality Scheme (SES) evidenced how the College meets the Equality Duty by putting procedures and training in place to discourage discrimination to individuals

within the nine protected characteristics. There is a requirement to publish objectives every four years which the College publishes in the SES annually on the College's website.

- IV. The Safeguarding and Child Protection Policy incorporated requirements from KCSIE.

The Board agreed: -

- To approve the Self Assessment Report (SAR) 2020/21
- To approve the Annual Quality Report – Higher Education Action Plan
- To approve the Single Equality Scheme (SES)
- To approve the Safeguarding and Child Protection Policy
- To record appreciation to the Deputy Principal and Director of Personnel for preparing the documents

8. Governance

- I. The S&G Committee proposed increasing the number of Independent Governors to 11 with proposed Board appointments outlined.
- II. Adoption of revised AoC Code of Governance for English Colleges was proposed by the S&S Committee.
- III. The Remuneration Committee Annual Report to 31 July 2021 was presented.
- IV. The Audit Committee recommended the Risk Management Policy for approval.
- V. The Audit Committee proposed a joint tendering process with Hereford College of Arts for financial statements and internal auditors.

The Board agreed: -

- To increase the Board constitution to 15 Governors (comprising 11 Independent Governors) and to appoint Tony Bramley, Julia Evans and Elizabeth Quinn for 1-year terms in office until 31 August 2023 with membership to the Audit, F&E and Q&S Committee respectively
- To adopt the revised AoC Code of Governance for English Colleges
- To receive the Remuneration Committee Annual Report to 31 July 2021 which would be published
- To approve the Risk Management Policy
- To approve a joint tendering process with Hereford College of Arts for financial statements and internal auditors for the year 2021/22 and 2022/23 respectively

9. Subcontracting Policy 2021/22

The F&E Committee recommended that the Board approve subcontracting up to £500K of AEB income at a cost of £400K in the current financial year as per the College's budget with The Skills Network. The ESFA have approved this request.

The Board agreed: -

- To approve the Subcontracting Policy 2021/22

Information (the following items were received and noted)

10. Risk Register - noted

- 11. Minutes from Committees**
- I. Audit Committee: 29 November 2021
 - II. Quality and Standards Committee: 24 November 2021
 - III. Finance and Employment Committee: 24 November 2021
 - IV. Search and Governance Committee: 24 November 2021
- 12. Management Accounts to 31 October 2021**
The balance sheet showed a strong cash position at this early stage in the year. There were no questions.
- 13. Annual Reports to 31 August 2021**
- I. Health and Safety Report
 - II. Staff Report
 - III. Staff Development Report
 - IV. Treasury Management Report
 - V. Safeguarding and Child Protection Report
 - VI. Equality and Diversity Report
 - VII. Student Discipline Report
 - VIII. Student Complaints Report
 - IX. Value for Money Report
 - X. Risk Management Report
- 14. Any other business and comments**
- I. The S&G Committee had discussed arrangements for an occasion and gift for Ian Peake, which had been on hold. An ex-student from Ludlow College who is an artist would be commissioned to do a painting of Ian Peake's choice. Governors were asked for contributions to the gift with the College's bank details to be provided.
 - II. The Chair thanked everyone for their involvement and hard work during the last year, especially CMT and students acknowledging the excellent achievements during another challenging year. Uncertainties appear to be continuing with the Omicron variant of Covid-19.
 - III. The Chair wished everyone a Happy Christmas and New Year, everyone reiterated this.
- 11. Date and Time of Next Meeting**
Tuesday 8 February 2022: Strategy meeting commencing at 12.30 pm; arrangements would be confirmed which would be guided by the pandemic.
- [Staff and Student Governors left the meeting]
- 12. Minutes of the confidential F&E Committee meeting**
The F&E Committee minutes and confidential staffing report presented to the F&E Committee were noted.

L Watkins

Signed as a true record of proceedings

Chair: **Date:**