

Present:

Jackie Flynn (Chair)
Rebecca Parks, Group Principal
Tony Redmond
Paula Summersfield
Adam Fidler
Sam Butler
Janet Ndungu
Roger Cunliffe
Sally Kells
Adrian Connell
Lucy Robinson
Kenda Ebeidin
Michael Sharples

In Attendance:

Karen Hollins, Chief Finance Officer
Kimberley Cash, Deputy Principal
Denise Hark, Clerk

	<p><u>Training and Development Session</u></p> <p>Governors had been invited to attend a Training and Development Session on preparation for Ofsted earlier in the day. A report on the session is held separately as part of the training and development records.</p>
22/35	<p><u>Apologies for Absence</u></p> <p>Apologies for absence were received from Dr Martin Toner, Martin Townsend and Natalia Dimitrova.</p> <p>The Chair reported that Charles Davies had resigned with effect from 16 March 2023. She reported on his contribution over the past 6 years, and confirmed that she had sent him a formal letter of thanks together with a small gift on behalf of the Corporation.</p> <p>The Chair noted that it was disappointing that more governors had not attended the Ofsted Training session prior to the meeting.</p>
22/36	<p><u>Declarations of Interest</u></p> <p>Governors made no declarations of interest in items to be discussed at the meeting.</p>
22/37	<p><u>Minutes of the previous Corporation Meeting</u></p> <p><u>Resolution 22/37: the minutes of the previous meeting held on 13 December 2022 were agreed as an accurate record and approved for signature by the Chair.</u></p> <p><u>Matters Arising</u></p> <p>There were no matters arising from the previous minutes which were not covered elsewhere on the agenda.</p>
22/38	<p><u>Chair's Report</u></p> <p>The Chair provided an oral report, from which the following was noted:</p> <p><u>College Seal</u></p> <p>The Chair reported that she had not used the seal since the last meeting of the Corporation.</p>

	<p><u>External Engagement</u></p> <p>The Chair reported on the recent external engagement that she had undertaken on behalf of the College.</p> <p>This has included continuing to convene meetings of the Greater Manchester FE Chairs' Advisory Group. The next meeting of the group will be held in early April, with the Business Lead for the Greater Manchester Combined Authority expected to be present at the meeting.</p> <p><u>Link Governor Visits</u></p> <p>The Chair reported that Link Governor visits had been held this term and noted that the visits had been valuable and well received by staff and students. The Vice Chair added that feedback from all groups he had met with had been excellent and it had been a good opportunity to triangulate information provided by the Senior Leadership Team.</p> <p>The Search Committee will review the reports from the Link Governor visits at their next meeting.</p>
<p>22/39</p>	<p><u>Group Principal's Report</u></p> <p>The Group Principal gave a comprehensive report, from which the following points were noted:</p> <ul style="list-style-type: none"> • The Annual Strategic Conversation with the DfE took place on 15 March 2023. The meeting included a member of the FE Commissioner's team. Feedback from the DfE territorial team had been positive and they had seen a marked improvement. • Implications of the Skills Reform include additional Ofsted requirements and accountability agreements. • A measured approach to T Levels is being taken with Vocational courses being kept under review in light of this. It was noted that four T Levels that had been planned nationally for September 2023 have been withdrawn by the government. • Removal of subcontractors is one of the strategic priorities for the college. <p>A governor asked whether there had been any impact from the recent negative press coverage of Ofsted. The Group Principal replied that there had not been any direct implications, however, the secondary school head teachers in Salford (SSHAPAS) had submitted a joint letter. It was noted that a new HMCI would be appointed in January 2024 and this may have an effect on the Ofsted framework. The framework could also change if there is a change in the Government.</p> <p>The Group Principal reported that she and the Deputy Group Principal had met with the GMLSIP Director and Policy Director from Manchester Chamber of Commerce and had had the opportunity to discuss T Levels. The Chamber was pleased that the number of apprenticeships at the College has grown.</p> <p>The draft Local Skills Improvement Plan should be available by the end of the month. This will inform the areas which need to be considered.</p> <p>In response to a request from governors the Group Principal provided a named organogram of the SLT to Corporation. It was noted that KR is now the Senior Vice Principal, taking the Lead for Quality and is the Local Skills nominee for Ofsted. As part of the wider SLT, Heads of Centre are also being included in meetings. The Chair asked whether having three operational Heads of Centre (for 5 centres) was a temporary situation. The Group Principal reported that having the Head of Pendleton covering FutureSkills was working well. However, however, this was facilitated because there is a Deputy in place at Pendleton. The Head of Worsley College covering at Eccles was subject to change as the substantive post holder was due to return to work on a phased return. These posts would be kept under review.</p> <p>A report was presented on actual numbers for 16-18 students from 2015. It was noted that if the College admits over 200 students against the allocation an in-year payment will be made. The normal fluctuation in student numbers is usually around 50. The Group Principal reported that recruitment was going in the right direction, however only 50.19% of school leavers in Salford</p>

	<p>enrol at the College and this was an area for improvement. It was noted that the conversion rate was higher during the Covid year and these students had stayed on in the following academic year.</p> <p>The legacy of Teacher Assessed Grades and Centre Assessed Grades had also had an effect on student numbers with the students admitted coming in at Level 3 rather than a larger number at Level 2 who would have stayed for up to 4 years. The current year numbers are slightly lower than target. However, this represents an overall growth when considering the removal of some partners. The Group Principal confirmed that one of the College's strategic aims is to reduce the number of partners as some are located out of the area.</p> <p>A report was provided on applications for entry in September 2023. This showed that there had been an increase of 1164 applications compared to the same point last year. However, an application deadline had been included which had resulted in applications being received earlier in the year. The increased number had also been affected by the Baker Clause with students having to apply to more than one organisation. Colleges are unaware of whether they are the first choice for a particular student. A governor commented that some of the top universities are rejecting more students and asked whether there would be a strategic implication for the College. The Group Principal replied that these students were not going on to study at the smaller institutions.</p> <p>The Group Principal reported on the very positive feedback from the External Consultant who had visited Pendleton on 7 October 2022, and Eccles on 6 March 2023.</p> <p>The College had competed in the World Skills Awards in Greater Manchester and had achieved first place in Media and second place in Computing. The College has also been nominated in four categories in the Educate North Awards.</p>
<p>22/40</p>	<p><u>Finance</u></p> <p><u>Financial Position to January 2023</u></p> <p>The Chief Finance Officer reported that the financial position as at January 2023 showed a surplus of £874k excluding pension adjustment, with the cash balance standing at £9.724m. It was noted that all loan covenants had been met. The Chief Finance Officer confirmed that the quarterly loan covenant compliance certificate had been submitted to Lloyds.</p> <p><u>2022-23 Forecast Outturn as at Quarter 2</u></p> <p>The Chief Finance Officer reported on the 2022-23 forecast outturn from which the following points were noted:</p> <ul style="list-style-type: none"> • There is a surplus of £612k, excluding pension adjustment, which represents a favourable variance of £446k, driven by depreciation linked to capital projects. • The projected cash balance is £9.881m, showing an increase of £1.3m due to bursaries and external capital funding. • The internally calculated Financial Health rating has been calculated as Outstanding, based on the forecast. • The loan covenant calculations indicate that the covenants will not be in breach overall, however, the position utilizes the Lloyds fallback Minimum Cash Balance covenant. <p>The Chief Finance Officer reported on the risks to the budget as follows:</p> <ul style="list-style-type: none"> • There is a risk to income for AEB and HE. • Agency costs are being managed but they can mask other areas such as absences. • The LGPS pension scheme has been revalued and will remain at 20.7% for the next 3 years.

	<ul style="list-style-type: none"> The main non-pay risk to the budget is around the energy price changes and the resultant energy support impact. Information on these costs and whether the College will get energy support should be available in May 2023. <p>A governor commented that teaching staff expenditure is significantly under budget. The Chief Finance Officer confirmed that this was due to difficulty in filling some vacancies, and added that this is a sector wide issue. An impact had also been seen due to a gap between members of staff leaving and replacements being appointed.</p> <p>A governor questioned whether there is a need to increase the budget for staff restructure costs. The Chief Finance Officer replied that historically this budget had been set for £75k but had been reduced to £25k for the current year. Next year this budget would revert to £75k.</p>
<p>22/41</p>	<p><u>Corporate Commercial Activity/External Presence</u></p> <p>The Chief Finance Officer reported on the impact of the Corporate Business Manager’s role. She reported that MC focuses on resources and external presence. He has been instrumental in increasing commercial and grant income. He has also worked to support Partnerships and Subcontracting, particularly with regard to the new requirements for Subcontracting. This has resulted in Subcontracting receiving Substantial Assurance from Internal Audit.</p> <p>MC has built up a partnership with The Factory Academy, which runs the Manchester International festival. This has created significant opportunities for students in cultural arts.</p> <p>The Corporate Business Manager has attracted funding of £1.01m, split between capital and revenue. The Chief Finance Officer reported that the revenue impact at Quarter 2 stood at £199k but this was expected to increase at Quarter 3 as funding from the successful bid to Maths Multiply had not yet been received. It was noted that the forecast takes account of associated costs.</p> <p>A governor commented that it was good to note this progress and the additional income as a result of introduction of a post recommended by the Corporation. He asked whether there was scope for more letting opportunities. The Chief Finance Officer confirmed that there is some scope for expansion in this area. The target for next year is 165k, with 90k of this from a local school which uses City Skills every Saturday. Some areas of Pendleton College are also hired out.</p> <p>The Chair commented that the impact looked promising and that MC was supporting some of the initiatives that the College already had in place. The Group Principal added that his post had been used to build capacity. The College previously had some of these commercial relationships but did not have the capacity or time to manage them and to write bids.</p> <p>Governors noted that they were pleased that the decision they had taken to appoint a Corporate Business Manager was having a positive impact.</p>
<p>22/42</p>	<p><u>Risk Management</u></p> <p>The Deputy Principal reported on risk management, highlighting two areas of risk. A copy of the summary risk register was provided with the papers for the meeting.</p> <p>It was noted that each risk has a nominated member of the SLT assigned to it and it is monitored on a monthly basis.</p> <p>Two areas of risk highlighted were as follows:</p> <p>Organisational stability</p> <p>Without mitigation this risk could have a serious impact on the organisation. In order to mitigate the risk, there needs to be robust quality and improvement across all areas, including rigorous monitoring of the quality framework and performance management of staff.</p>

	<p>Business Continuity (as a result of the pandemic). Plans are kept under review and links are being maintained with Public Health Salford and Salford City Council. Staff are regularly reminded to update their personal contact information, and the College maintains a focus on Health and Wellbeing. It was noted that the College's Emergency Planning Group can be brought back into regular use if needed.</p> <p>A governor asked whether the Business Continuity risk had a general risk impact on learners as well as for staff. The Deputy Principal explained that this is contained within the risk at a deeper level.</p> <p>A governor asked where the data protection breach is included in the risk register. It was confirmed that this is part of the cyber security risk. A governor asked for reassurance on cyber security. The Chief Finance Officer confirmed that this area was included on the internal audit plan for the previous year, with the area having been given Substantial Assurance. As part of this process all policies and procedures have been checked and all staff have had training in this area.</p> <p>A governor suggested that it would be useful to see the direction of travel of risks on a regular basis as the full report is only presented to governors on an annual basis. A governor proposed that the main/high-level risks should be reported on at each meeting, with a full report being provided annually.</p> <p>Governors requested that the full risk register be uploaded to the Governors' portal.</p>
<p>22/43</p>	<p><u>Consideration of the Annual Staff Pay Award Recommendations</u></p> <p>The Chair provided a contextual report in the light of the number of new governors on the Corporation, from which the following was noted:</p> <ul style="list-style-type: none"> • Consideration of the staff pay award is undertaken annually, on the basis of what is affordable. • Staff understand that this is the case. • Historically all pay awards have been consolidated. • For the past 5 out of 6 years the College has been able to offer staff a small percentage pay award. • Consideration takes place at Period 9, but any agreed pay award is backdated to the September of the previous year. <p>The Chief Finance Officer provided a detailed report on the effect that a pay award would have on the budget. She reported that the Quarter 2 forecast would indicate that a pay award would be affordable. However, early work on next year's budget showed a significant deficit, which would increase if there is a consolidated pay award. An efficiency plan has been initiated to remove the deficit, with an ambition to pay a consolidated pay award.</p> <p>The Chief Finance Officer advised governors of the increasing volatility in FE funding and uncertainty around energy prices and support.</p> <p>It was noted that the Human Resources Committee had recommended that staff be offered at pay award if affordable.</p> <p>The Strategy, Finance & Resources Committee had considered the likely financial impact, and the effect on staff morale of making a pay award. Its resulting recommendation was that a pay award of at least 2%, subject to affordability at Quarter 3, and at the finalisation of next year's budget.</p> <p>In response to questions from governors the Chief Finance Officer confirmed that the cost of a pay award indicated in her report included incremental drift and also this would have the effect of increasing all pay bands by the percentage increase.</p>

	<p>Corporation members concluded that they were minded to accept the recommendation of the Strategy, Finance & Resources Committee, subject to it not undermining the financial viability of the College.</p> <p>The Chief Finance Officer reported that she would present the Quarter 3 figures at the Strategy Day in May 2023 so that Corporation could confirm this decision.</p> <p><u>Resolution 22/43: that a consolidated staff pay award for 2022/23 of at least 2% is conditionally approved, subject to affordability at Quarter 3, backdated to September 2022.</u></p>
22/44	<p><u>Standing Orders</u></p> <p>The Clerk reported that following recommendation from the Internal Audit of Corporate Governance undertaken in November 2022, the Standing Orders have been updated to include the quoracy level for Corporation meetings and the Governor Appointment policy.</p> <p>The Standing Orders have also been further amended to include the temporary election procedures adopted by Corporation in December 2022 for the upcoming election for Vice Chair in Summer 2023. The current year's committee terms of reference have also been included to replace the previous year's committee terms of reference.</p> <p><u>Resolution 22/44: the amended Standing Orders are approved.</u></p>
22/45	<p><u>Senior Post Holder Remuneration Code</u></p> <p>The Clerk reported that following recommendation from the Internal Audit undertaken in November 2022, the AoC Senior Post Holder Remuneration Code was presented for discussion to the Search Committee at the Search Committee meeting on 28 February 2023. Search Committee recommended the policy for adoption by Corporation. It was noted that the only addition required to current practice is that an annual report on the work of the committee should be published.</p> <p><u>Resolution 22/45: the AoC Senior Post Holder Remuneration Code is adopted.</u></p>
22/46	<p><u>Scheme of Delegation</u></p> <p>A draft Scheme of Delegation was presented to Corporation which showed the current position on levels of delegation taken from various documents, including the Instrument & Articles, Standing Orders and Financial Regulations, was presented to Corporation for consideration.</p> <p>Corporation approved the document as a basis for the Scheme of Delegation and agreed that the Search Committee should review the document at its next meeting, to consider whether any additional details should be included, and whether there are any additional responsibilities which could be delegated to specific committees.</p> <p>Search Committee will report on progress, and bring an updated document to the next Corporation meeting in July 2023 for consideration and approval.</p>
22/47	<p><u>Recommendations from Governor Development and Engagement Workshop</u></p> <p>The Corporation received two documents arising out of the recent Governor Development & Engagement Workshop held on 15 February 2023. These were a record of the event, and a series of recommendations which had emanated from governor discussions on the day.</p> <p>The Workshop programme had looked at the College's governance structures, and considered how to be an effective governor.</p> <p>Governors had commented that the workshops were a good way of engaging with each other.</p> <p>One governor reported that he would find it preferable if the workshops were held before or after other meetings, to take account of some governors' work commitments.</p>

A governor proposed that additional slots should be built into next year’s governance calendar to allow for development/engagement workshops or for other governance purposes.

At the Workshop governors had considered specific ways in which governance practice at the College could be made more efficient, and effective.

Suggestions had included:

- Allowing half an hour prior to committee meetings to allow governors to meet informally without senior managers.
- Dedicated “Governor” time to consider strategic issues without the SLT prior to Strategic Away days.
- Changes to committee business to be reviewed in order to find more space on the Corporation agenda, possibly by increasing the level of delegation to committees.
- Corporation to receive an organogram for any significant changes to the structure of the SLT, and for the HR&OD Committee to receive them for all staff annually.
- A tour of all campuses to be offered to governors annually, and built into the governance calendar. In addition to new governors undertaking them as part of their induction.

All of these suggestions were accepted and will now be actioned.

Governors were asked to contact the Clerk if they wished to make a visit to a campus, they had not already had the opportunity to visit it this year.

22/48

Governance

Committee Minutes

Resolution 22/48a: the minutes of the following Committee meetings were received and approved for signature as a correct record:

Audit Committee	6 February 2023
Human Resources &OD Committee	14 February 2023
Search Committee	28 February 2023
Strategy, Finance & Resources Committee	14 March 2023

The following points from Committee minutes were noted:

HR&OD Committee

The Chair of the HR&OD Committee reported that the committee had received a report on the long service award celebration which had been introduced for staff. He added that he had attended the event which had demonstrated how much the College valued its staff, and that it had been a very enjoyable occasion.

The HR&OD Committee had recommended the Whistleblowing and DBS & Safer Recruitment policies for adoption by Corporation.

Resolution 22/48b: the Whistleblowing Policy and the DBS & Safer Recruitment policies are adopted.

Search Committee

The Chair reported that the committee had considered the recommendations and practical issues arising from the Succession Planning Task Group.

Specifically, governors agreed that appointing a second Vice Chair from 2023 for an interim period would provide a shadowing opportunity and would help to ease transition in the longer term.

	<p><u>Strategy, Finance & Resources Committee</u></p> <p>The Chair reported that the Committee had considered the ONS reclassification of colleges, and had noted the financial implications. The committee had also discussed local skills requirements. A governor asked for clarification over capital funding listed against the reclassification of colleges. The Chief Finance Officer reported that the College had received £1.5m under this scheme. All colleges had received energy efficiency funding of £300k and a further allocation to improve the condition of the building. It was reported that £750k of this allocation would be spent in year on initiatives such as changing to LED lighting and finishing the cladding work which would help to reduce energy costs. The College would not have been able to afford this work without the grant. It was noted that the College had saved £155k by changing to LED lighting.</p> <p><u>Review of Confidential items from the academic year 2021/2022</u></p> <p>The Clerk reported on the process regarding the review of confidential items from the previous year and recommended that all items previously designated as confidential remain confidential due to either commercial sensitivity or identification of personnel.</p> <p><u>Resolution 22/48c: that all confidential minutes from the previous academic year remain confidential due to commercial sensitivity and identification personnel.</u></p>
<p>22/49</p>	<p><u>Meeting Evaluation Form</u></p> <p>The Chair requested that governors complete the Meeting Evaluation form and return it to the Clerk at the end of the meeting.</p>
<p>22/50</p>	<p><u>Any Other Business</u></p> <p>There were no other items of business raised.</p>
<p>22/51</p>	<p><u>Date of Next meeting</u></p> <p>The next meeting will be held on Tuesday 4 July 2023 at 2pm.</p> <p><i>(All staff left the meeting at this point). 5.24pm</i></p>