



ACTIVATE LEARNING FURTHER EDUCATION CORPORATION

MEETING OF THE CORPORATION

Meeting date: **20 April 2020**

Venue: **Microsoft Teams**

PRESENT:

Sally Dicketts (4/4) Chief Executive Officer
Chris Jones (3/4) Chair of the Corporation
Tracey James (3/4) Vice Chair of the Corporation
Nina Robinson (3/4)
Malcolm Wicks (4/4)
Julia Von Klonowski (3/4)
James Dipple (2/4)
Andy Stone (4/4)
Sue Sturgeon (4/4)
John Cope (2/2)
David Goosey (2/2) *(as indicated in the minutes)*
Emma Shipp (2/2)
Dermot Mathias (2/4)
Pauline Odulinski (3/4)
Ben Sims (4/4)

IN ATTENDANCE:

Steve Ball Chief Finance Officer
Lee Nicholls Deputy Chief Executive Officer
Cheri Ashby Group Executive Director, Surrey Lead
Jonathan Adams Group Executive Director, Activate Learning

CLERK:

Jamie Wade Clerk to the Corporation *(as indicated in the minutes)*

MINUTES

The meeting started at 16:00.

<u>MINUTE NO.</u>		<u>ACTION</u>
1.	Apologies for Absence No apologies were received. The Clerk advised that DG would be arriving late.	
2.	Declarations of Interests, Gifts and Hospitality No interests, gifts or hospitality were declared. <i>DG joined the meeting at 16:05.</i>	
3.	Minutes of the Meeting of 10 February 2020 The minutes of Part I of the meeting of 10 February 2020, having previously been circulated to the Board, were reviewed by the Corporation. Two members of the Corporation raised concerns over the length of time allocated to discussion of payments to Governors for contract work, and consequential concerns over the decision that was reached. The Board were reminded that a paper had been presented and the recommendations were approved by the Board; under cabinet	

responsibility that decision would stand, however it was agreed that the matter would bear review at a later date, perhaps as part of a wider review of governance.

It was agreed that in future Governors should flag any matters they considered to be contentious to the Clerk ahead of the meeting, so that this could be accounted for in planning the meeting. The Board were reminded that, as agreed at the last meeting, any proposed contract work to be undertaken by a Governor would be subject to the explicit approval of the Board, including scrutiny of the business case and fees involved.

It was agreed that NR would discuss the matter with the Chair at a later date.

The minutes were approved as an accurate record of the meeting.

Minutes of Part II of the Meeting of 10 February 2020

The minutes of Part II of the meeting of 10 February 2020, having previously been circulated to the Board, were reviewed by the Corporation. It was raised that the item relating to the job role and remuneration of the Clerk to the Corporation should record that the decision had been made based on the capability of the post holder and the needs of the Corporation. The minutes were approved subject to this amendment.

4. Matters Arising from the Minutes of 10 February 2020

The Board reviewed the matters arising from the meeting on 10 February 2020, and were advised that the ESFA submission had been delayed, but would be circulated to Governors in due course. It was noted that the Away Day agenda would be covered under Any Other Business.

Matters Arising from Part II of the Minutes of 10 February 2020

The Board reviewed the matters arising from the meeting on 10 February 2020, and noted that these matters would be covered under the agenda.

5. Deep Dive – COVID-19

The Board received the COVID-19 Update report and the CEO provided an overview of the framework within which the organisation's response to the pandemic was being managed. Ongoing work was being done to ensure student engagement as far as possible and all vulnerable students had been contacted and risk assessed; some were entitled to attend college, and the Banbury campus was being specifically reopened for a small number of vulnerable learners who required this support. Disadvantaged students without computer access were being provided with printed resource packs or laptops where appropriate. Student recruitment would be supported through virtual experience and engagement activities over the summer.

The CEO advised the Board that the forecast budget deficit, as identified in the paper, could be swiftly addressed through drastic staffing cuts, but the need to save money was being carefully balanced against the importance of retaining good staff for the long term. The Corporation had undertaken to pay all staff their full salary until the end of May, including those who would be put on furlough under the government scheme; this was, in part, in consideration of the fact that those eligible for furlough were also some of the more vulnerable staff who would be most affected by a salary reduction. The Board sought and received assurance that furlough would be conducted in line with government guidelines.

The CEO provided an update on developments in The Oxford Partnership, advising that there were some delays to payments being received from the Saudi government. Following careful consideration of the opportunity to bid for a new male college, it was recommended that the opportunity not be pursued further. The Board approved this recommendation.

**MINUTE
NO.**

ACTION

The CEO advised that the Activate Learning Education Trust schools were coping well with online delivery; one school had remained open to vulnerable learners over the Easter break.

The Board considered how best to support the Executive Team during the pandemic, and agreed that a working group would be formed to focus on the long term priorities and re-emergence once the crisis was passed, whilst ongoing updates would be provided to the Board on a fortnightly basis.

Action: Advise the Clerk to the Corporation of interest in joining the COVID-19 Working Group

Action: Schedule meetings of the COVID-19 Working Group

Action: Provide a fortnightly update on the COVID-19 response

The Board commended the Executive Team for their response to the pandemic and encouraged them to take opportunities for change and growth where possible.

ALL

Clerk

CEO

6. Pensions Strategy

The Board received the Pensions Strategy paper and the CFO provided an update on the position of the Local Government Pensions Schemes (LGPS) following negotiations over the past weeks and months. The CEO outlined the asset security that would be required to reduce LGPS costs in the longer term, and highlighted some anticipated impacts of such arrangements; it was noted that the need to secure future capital against assets may be reduced if alternative capital generation ideas were pursued. The CEO advised that increased pension liability had not been discussed within merger funding negotiations with the Transaction Unit, as the scale had been unknown at that point. However, the Transaction Unit had been made aware of the current circumstances. It was noted that there was an opportunity to lobby for change through the local MPs, ESFA, Collab Group and Association of Colleges.

The CFO recommended that further exploration of the option to provide security against the LGPS should be undertaken, and advised that they would seek advice from BDO, property experts and possibly certain governors. The Board approved the recommendation to further explore the provision of security against the LGPS. It was agreed that the findings, aligned with the Property Strategy, would be reviewed at the September Corporation meeting. **All members were agreed.**

Action: Explore the option to provide security against the LGPS and provide an update to the Board

CFO

Action: Agenda item, September Corporation meeting: Pensions and Property Strategy

Clerk

7. Finance and Performance

Management Accounts & Year-End Forecast

The Board received the Financial Update report and the CFO highlighted that the Corporation had been on track to achieve the Mid-Year Forecast prior to the COVID-19 pandemic, however there was now a £3.5m income risk. The Adult Education Budget risk had been mitigated as the Government had announced there would be no claw back of this funding. The CFO assured the Board that he did not expect the shortfall to be greater than £3.5m, and that the best-case scenario was a shortfall of £1m.

The CFO outlined measures being taken to mitigate through cost reductions and advised that around 120 staff were due to be furloughed starting that week, resulting in £125k saving per month. The Board noted that furloughed staff would receive a top-up to full salary to the end of May 2020 at least, and considered the balance between responsibility to staff and the needs of the business; it was agreed that full salaries should be paid for as long as possible, and that all-staff

and specifically executive salaries should also be considered at the point when full payment was no longer possible.

The CFO advised that cashflow was secure in the short-term, but difficulties may arise in Spring 2021 as a result of the current challenge; the CFO had advised the ESFA that the deficit could not be sustained in the long term. The Board briefly considered receipts from The Oxford Partnership and were assured that the expected receipts were considered certain.

The Board thanked the CFO for his report and requested to be alerted to any change in expectations for the worse.

The meeting was adjourned at 17:30 and reconvened at 17:40.

Group Risk Register

The Board received and approved the Risk Register, which was recommended by the Audit and Risk Committee; the CFO highlighted two new risks that had been added to the register: COVID-19 and pensions liability. One governor queried whether government policy should be added to the register and it was agreed that this would be discussed with the CFO offline.

8. Improvement Plan Update

The Board received the Improvement Plan Update and the DCEO provided a verbal update on the student feedback survey; although it was early days the findings indicated that students felt safe and were getting regular connection with their tutors. Whilst 25% of respondents reported preferring online learning to classroom-based learning, another 25% reported preferring classroom delivery.

The DCEO reminded the Board that the updates contained in the Improvement Plan Report related to the period December to February, before the COVID-19 pandemic. It would be necessary to consider how to review progress against the improvement plan for the March to May period, which would be dramatically affected by the pandemic. The Board challenged slow progress in the Technology Faculty, particularly in the Surrey colleges and queried whether the identified action plan was effective. The DCEO advised that the implementation of changes to the curriculum within the Technology Faculty had been affected by the departure of the member of staff responsible for designing the new curriculum, and this was thought to have affected performance in this area. The DCEO further advised that attendance issues in the Faculty had been addressed, the new leadership of the Faculty was considered strong, and changes had been made to the quality assurance and curriculum planning process across the Group to allow a longer planning period. The Board asked about arrangements for practical assessments and were advised that while staging was inevitable, information from the Awarding Bodies was still awaited before planning could begin.

9. Link Governor Updates

Pauline Odulinski, Link Governor for Inclusion, provided a verbal update to the Board advising that although she had been unable to attend the last Equality and Diversity Committee meeting she had received the notes and was confident in the activity of that committee.

Dermot Mathias, Link Governor for International, provided a verbal update to the Board, advising that the Division had been on track for a very good year prior to the COVID-19 pandemic. Unfortunately, as a result of the pandemic the Chinese Rowing program had been paused and renegotiation of that contract was required, and external verification income was likely to decline. The focus moving forward would be on renegotiating the rowing contract, delivering online courses, and in-country courses; support from the Marketing Team had improved and would support this.

**MINUTE
NO.**

ACTION

10.

Policies

The Board received and approved the Corporate Ethics Policy and the Information Security and Data Protection Policy. The Clerk advised the Board that work had been undertaken to review the policy environment of the organisation with a view of creating policies that were more accessible and reflective of the Learning Philosophy. One governor raised concerns about the comprehensiveness of the Information Security and Data Protection Policy and it was agreed that his questions would be answered offline and the answers circulated to the Board.

Action: Address questions relating to the Information Security and Data Protection Policy and circulate answers to the Board

Clerk

11.

Board Dates 2020/21

The Board received the Schedule of Meetings for the 2020/21 academic year and governors were asked to flag any clashes to the Clerk.

12.

Use of Corporation Seal

The Clerk advised the Board of one use of the Corporation Seal since the previous meeting, to execute the grant agreement with Hampshire County Council for funding of the new care suite at Guilford College. The Board approved the application of the seal. **All members were agreed.**

13.

Minutes of Committees

The Board received the minutes of the Audit and Risk Committee and received a verbal update from the meeting of the Search and Governance Committee earlier that day. The Board received and approved the recommendation to renew the appointment of Dermot Mathias and Malcolm Wicks for a further term of office. **All members were agreed.**

The Chair of the Search and Governance Committee advised that, following the notice of resignation from the Chair, the Committee would be recommending an open internal recruitment process for a new Chair. The Committee would create a selection pack and circulate that to the Board.

14.

Any Other Business

Away Day

The Clerk advised the Board that, due to the COVID-19 pandemic, the scheduled Away Day would need to be postponed. Instead of a full away day a virtual program would be used instead, including strategic discussions and training webinars. It was suggested that one webinar could cover relevant government policy.

The Chair commended the Executive Team for the excellent work they were doing.

15.

Dates of Upcoming Meetings

11 – 12 May 2020

20 July 2020

15 June 2020

The meeting closed at 18:25.



Chair Date 23 June 2020

Summary of Actions

Action	Responsible
Advise the Clerk to the Corporation of interest in joining the COVID-19 Working Group	ALL
Schedule meetings of the COVID-19 Working Group	Clerk
Provide a fortnightly update on the COVID-19 response	CEO
Explore the option to provide security against the LGPS and provide an update to the Board	CFO
Agenda item, September Corporation meeting: Pensions and Property Strategy	Clerk
Address questions relating to the Information Security and Data Protection Policy and circulate answers to the Board	Clerk