



ACTIVATE LEARNING FURTHER EDUCATION CORPORATION

MEETING OF THE CORPORATION

Meeting date: **20 July 2020**

Venue: **Microsoft Teams**

PRESENT:	Chris Jones (5/7) Tracey James (6/7) Sally Dicketts (7/7) John Cope (5/5) James Dipple (5/7) Dermot Mathias (5/7) Pauline Odulinski (6/7) Emma Shipp (5/5) Sue Sturgeon (7/7) Malcolm Wicks (7/7)	Chair of the Corporation Vice Chair of the Corporation Chief Executive Officer
IN ATTENDANCE:	Steve Ball Lee Nicholls Cheri Ashby Paul Newman Bernard Grenville-Jones Debbie Weresch	Chief Finance Officer Deputy Chief Executive Officer Group Executive Director, Surrey Lead Group Executive Director (<i>as indicated in the minutes</i>) Group Executive Director Commercial Business Manager (<i>as indicated in the minutes</i>)
CLERK:	Jamie Wade	Director of Governance and Clerk to the Corporation

MINUTES

The meeting started at 16:00.

<u>MINUTE NO.</u>		<u>ACTION</u>
1.	Apologies for Absence Apologies were received from Julia Von Klonowski (5/7), Andy Stone (6/7), Nina Robinson (5/7), David Goosey (4/5) and Ben Sims (5/7). The Chair welcomed the Commercial Business Manager, who would be observing the meeting.	
2.	Declarations of Interests, Gifts and Hospitality No interests, gifts or hospitality were declared.	
3.	Minutes of the Meeting of 15 June 2020 The minutes of the meeting of 15 June 2020, having previously been circulated to the Board, were reviewed by the Corporation. The minutes were approved as an accurate record of the meeting.	

4. Matters Arising from the Minutes of 15 June 2020

The Board noted the matters arising from the meeting of 15 June 2020 and the Director of Governance highlighted one complete action and one future action.

The DCEO provided a verbal update on student engagement and attendance during the COVID-19 pandemic, advising that a small number of vulnerable students had attended onsite provision, and around 85 students per day had attended campus from 15 June 2020 to complete license to practice assessments. 93% of students were progressing to plan, with the remaining 7% in intervention. Student surveys indicated that students felt safe and were able to access regular content and contact with tutors. There was little sector data for comparison, but Activate Learning were ahead of the engagement levels estimated by the National Foundation for Educational Research.

5. Surrey Transition

The Board received the Surrey Merger Infographic and the Group Executive Director, Surrey Lead (Surrey Lead) provided a verbal overview of the progress of the merger transition so far; the Surrey Lead highlighted particular challenges for the next stage of transition, including the need to maintain the momentum, especially in the Technology faculty and Apprenticeships. Applications for the 2020/21 year were strong, but were yet to be converted into enrolments. Cultural work would need to continue, although staff had already commented on how much they enjoyed collaboration with the Group. The Surrey Lead expressed her thanks to the staff, the transition team and the Merger Partner Governor for their input.

The Board thanked the Surrey Lead for her report and progress made to date, and requested that their thanks be passed on to the staff at the Surrey colleges. The Board advised that in future they would like to see benchmarks on data presented, so that progress could be viewed against baseline and national rates.

The Board noted that 90% of students had achieved their target grade and challenged what action was being taken on the 10% that didn't; the Surrey Lead advised that these students generally had not engaged with online teaching during the pandemic, and staff continued to attempt to make contact and engage those students. The Board asked the Surrey Lead to outline what continued to worry her about the Surrey colleges, and were advised that continuation of momentum and focus on teaching, learning and assessment was a concern.

The Board sought clarity on what a successful full integration would look like, including milestones, and it was agreed that this would be provided offline.

Action: Share with the Board an outline of what a successful full integration would look like, including milestones

**Surrey
Lead**

6. Corporation Improvement Plan 2020/21

The Board received the Further Education and Apprenticeships Improvement Plan Update and the DCEO reminded the Board of how the Improvement Plan fit into the wider quality improvement cycle. The DCEO advised that, due to the COVID-19 pandemic, there would be limited data to draw on in reviewing the 2019/20 year.

The DCEO highlighted elements where improvement was being seen (such as staff recruitment and student retention), and elements that were not yet sufficiently improved (such as Apprenticeships and the Technology faculty).

The Board sought clarity on how best practice in online teaching and learning was being shared and were advised that teachers and managers had been brought together to collect best practice examples and produce tools and guides, including an Activate Learning Standard tool for asynchronous learning.

The Board noted that improvement in Apprenticeships continued to be too slow and challenged the Executive Team on what more must be done to secure the

necessary improvement. The DCEO advised that priorities were to embed clearer leadership and consistent system use, fill key teaching vacancies and end the cycle of carry-over of apprentices into the following academic year. The CEO added that the Managing Director was improving integration with the Group, which enabled better support and management of quality. Whilst the Managing Director was on maternity leave, the Acting Managing Director was providing cover and was expected to drive improvement by working through the details. In combination with regular Apprenticeship Board meetings with the CEO and DCEO, and the leadership of the Acting Managing Director, this was expected to increase the pace of improvement. It was agreed that the Corporation would review the measures being put in place for improvement of Apprenticeships at a future Board meeting.

Action: Present an overview of the improvement measures being implemented in the Apprenticeship division

Action: Agenda item, October Corporation meeting: Apprenticeship improvement measures

The Board expressed their support for the Improvement Plan Update.

Acting MD

Clerk

7. CEO Report

The Board received the CEO Report and the CEO provided a brief verbal summary of the report. The Board noted their support for the work being undertaken in response to the Black Lives Matter movement, and considered the suggestion that a Director of Equality position be created; members advised that the work must encompass all protected characteristics and considered the advantages of a 'champions' network or similar, to ensure that responsibility for inclusion was shared among staff. The Board noted that the diversity of the Corporation Board must be improved.

The Board considered the risks arising from the COVID-19 pandemic and were informed of the reputational risks arising from atypical calculation of grades. The CEO outlined the plans in place for providing students with their grades and managing disappointment and complaints. The Board asked if there was clarity around plans for exams in Summer 2021, but were advised that it was as yet unclear.

The Board thanked the CEO for her report and noted their support for the work around Black Lives Matter.

8. Finance and Performance

The Board received the Finance update and the Strategic Risk Register, and the Chair encouraged governors to consider the budget proposal in light of the wider sector climate and the work put into the budget process by the Executive Team to ensure that the proposal was the right approach for the Group.

Management Accounts

The CFO presented the Management Accounts and advised that the full year forecast (at circa £1.2m deficit against mid-year forecast) was in line with the sector; the deficit had arisen primarily from income loss resulting from the COVID-19 pandemic, which was partially mitigated by cost savings and income from the Government's Job Retention Scheme. The deficit had impacted the cashflow position, but the Group remained resilient and ahead of the sector in this respect. The CEO advised that the sale of the Farnham Tennis Courts was unlikely to complete in-year due to planning issues, but there was confidence that it would be completed in the following year.

Budget

The CFO presented the budget proposal for 2020/21, and advised that a deficit budget was being recommended to drive quality and improvement. Although the budget represented an accounting deficit, it would return positive EBITDA and

cash generation, and included a contingency fund. As the government continued to announce plans to support schools and colleges during the COVID-19 pandemic, there may be opportunities to reduce the deficit in-year, but the proposed budget was considered to be the most reliable picture.

The CFO illustrated the Group's dependence upon 16-18 core funding, which had risen somewhat; although this was not generally desirable, under the current circumstances it would support greater resilience than a lower ratio. The CFO outlined the key elements of the budget, highlighting that the budget represented a deficit at 50% of that forecast in the submission to the Transaction Unit upon merger with Bracknell & Wokingham College and the Guildford College Group. The CFO advised that the budget included a 1% cost of living pay rise and investment in key quality related job roles, as well as the funding rate increase; although the budget represented significant year on year efficiencies, there were further inefficiencies to be addressed. The budget did not include any benefit from The Oxford Partnership.

The CFO outlined the Group's cash position, which was robust and would allow for significant investment in coming years. The CFO presented the Group's ESFA Financial Health rating over time, and reminded the Board of how Financial Health was calculated; the proposed budget would place the Group near the top of the 'Good' rating.

The CFO advised that the Group could lose circa £1m EBITDA in a future four months of lockdown. By these calculations, in the worst-case scenario - further lockdown for a full year - the Group would lose circa £3m EBITDA; even with such a loss the proposed budget would return positive EBITDA and cash generation.

The Board noted the impact of lagged funding for colleges expecting higher student numbers in the 2020/21 year due to the economic downturn caused by the COVID-19 pandemic, and considered the possibility of applying pressure on the government to take action to address this.

The Board sought clarity on the impact of funds expected from The Oxford Partnership and how they could be invested in the Group. The Executive Team advised that the expected receipts would result in an 'Outstanding' ESFA Financial Health rating; whilst previous funds had been used to build cash reserves and reduce borrowing, future receipts could be invested in priority projects, such as agile working, campuses and digital capability.

The Board thanked the CFO for his presentation and approved the 2020/21 budget. The Board requested that any material changes be reported to the Board.
All members were agreed.

9. HE Link Governor Update

The Board received a verbal update from the Higher Education Link Governor who advised that, having attended the Higher Education Board, he was reassured by the processes and policies in place. The Link Governor had agreed to assist with a strategic review of Higher Education partnerships. Acceptances for offers for the 2020/21 year were on track, and Activate Learning had performed above the average for colleges in the HESA destinations and outcomes survey. Overall, the Link Governor considered the Division to be well run.

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

14. Minutes of Committees

The Board noted the minutes of the Audit and Risk Committee meeting on 17 June 2020.

The Board received a verbal update from the meeting of the Search and Governance Committee on 20 July 2020; the Acting Chair advised that the Committee recommended that two governors commit to regular involvement in

MINUTE
NO.

ACTION

the Group's self-assessment and were provided with records of the previous year's self-assessments for context. Governor recruitment was being initiated on the basis of one current vacancy and two due to arise in 2020/21; diversity would be a priority and therefore the intention was to use a specialist agency.

Upon the recommendation of the Search and Governance Committee, the Board approved the policy approval schedule. **All members were agreed.**

10. Audit Strategy 2020/21

Upon the recommendation of the Audit and Risk committee, the Board approved the appointment of Mazars as external auditors for the 2019/20 year, and RSM as the internal auditors for 2020/21. **All members were agreed.**

11. Schedule of Business 2020/21

The Board received and approved the Schedule of Business for the 2020/21 year. **All members were agreed.**

12. Policies

The Board received and approved the following policies:

- Financial Regulations
- Fees Policy
- Student Behaviour and Disciplinary Policy
- Admissions Policy
- Student Health and Wellbeing Policy
- Workplace Standards Policy
- Health, Safety and Welfare Policy
- Comments, Suggestions and Complaints Policy

All members were agreed.

13. Use of Corporation Seal

The Board received an update on the application of the Corporation seal, and retrospectively approved the following applications:

- Lease / Licence to Carry Out Major Works – 22 June 2020
- Funding Agreement – 07 July 2020

15. Health & Safety Update

The Board received and noted the Health and Safety Update.

16. Safeguarding Update

The Board received and noted the Safeguarding Update.

17. Any Other Business

No other business was raised.

18. Dates of Upcoming Meetings

19 October 2020	19 April 2021
26 – 27 October 2020	10 – 11 May 2021
07 December 2020	07 June 2021
01 February 2021	19 July 2021

The meeting closed at 17:45.

Chair *S L Sturgeon* Date 09/11/20

Summary of Actions

Action	Responsible
Share with the Board an outline of what a successful full integration would look like, including milestones	Surrey Lead
Present an overview of the improvement measures being implemented in the Apprenticeship division	Acting MD
Agenda item, October Corporation meeting: Apprenticeship Improvement Measures	Clerk