

Meeting date: **19 July 2021**

Venue: **B1, Reading Campus**

<b>PRESENT:</b>	<p>Sue Sturgeon (6/6) Dermot Mathias (6/6) Sally Dicketts (6/6) Pauline Odulinski (6/6) Julia von Klonowski (6/6) Andy Stone (5/6) Kathy Slack (4/5) John Cope (5/6)</p>	<p>Chair of the Corporation Vice Chair of the Corporation Chief Executive Officer</p> <p><i>As indicated in the minutes</i></p>
<b>IN ATTENDANCE:</b>	<p>Steve Ball Lee Nicholls Paul Newman Faith Hanks Elsbeth Tibbetts</p>	<p>Chief Finance Officer Deputy Chief Executive Officer Group Executive Director Governance Executive Assistant Curriculum Director <i>as indicated in the minutes</i></p>
<b>CLERK:</b>	<p>Perry Perrott</p>	<p>Director of Governance and Clerk to the Corporation</p>

## MINUTES

The meeting started at 16:05.

<u>MINUTE NO.</u>		<u>ACTION</u>
1.	<p><b>Apologies for Absence</b></p> <p>Apologies for absence were received from David Goosey (4/6), Jamie Edge (4/5), Malcolm Wicks (5/6), Angela Adimora (3/5), Emma Shipp (5/6), Ben Sims (5/6) and Megan Henderson (4/5).</p>	
5.	<p><b>Deep Dive – Design Thinking</b></p> <p>The CEO and the Curriculum Director provided an overview of the Deep Dive workshop session, which was focussed around ‘Design Thinking’, a concept that had been introduced to all managers across the organisation to encourage creative thinking and entrepreneurial solutions. The Group took part in the interactive Design Thinking workshop, working in small groups to go through the six techniques to find more creative solutions to complex issues.</p> <p><i>JC joined the meeting at 16:30.</i></p> <p><b>Action:</b> Provide an update on any ideas implemented as a result of the Design Thinking session, either in your personal or professional capacity, or in your capacity as a governor</p> <p><i>ET left the meeting at 17:35 and the meeting was adjourned. The meeting was reconvened at 17:45.</i></p>	<b>ALL</b>
2.	<p><b>Declarations of Interests, Gifts and Hospitality</b></p> <p>No member declared any interest, gift or hospitality.</p>	

**MINUTE**  
**NO.**

**ACTION**

**3. Minutes of the Meeting of 07 June 2021**

The minutes of the meeting of 07 June 2021, having previously been circulated to the Board, were approved as an accurate record of the meeting. **All members were agreed.**

**4. Matters Arising from the Minutes of 07 June 2021**

The Clerk provided an update on the matters arising from the meeting of 07 June 2021, noting that there were no actions to report.

The Chair noted that this was the DCEO's final Corporation meeting before his retirement later that month, and the Board thanked the DCEO for his longstanding commitment to Activate Learning.

**6. Finance**

*Management Accounts & Year-End Forecast*

The Board received the Management Accounts & Year-End Forecast report, which was taken as read, and the CFO provided an overview of the latest view, noting that there had been little change over recent months, and reductions remained as a result of the restrictions imposed due to the COVID-19 pandemic, particularly in terms of Adult and Apprenticeship learners.

The CFO noted that, due to the recent sale of the tennis courts at the Farnham Campus and the settlement of all invoices in relation to The Oxford Partnership, the expected cash balance for the end of the year was expected to be over £17.5m. Board members noted their thanks to the CEO, Kathy Bland the CEO of Oxford Partnership and those involved in the collaboration with The Oxford Partnership over the years, noting that the opportunity had contributed to the strong cash balance and prevented reductions and cuts elsewhere within the organisation as a result of the pandemic.

*2021/22 Budget*

The Board received the 2021/22 Budget, and the CFO presented an overview of the proposal, noting that the deficit of £0.75m recommended at the June Corporation meeting had been deemed too difficult to achieve, following further review, and therefore recommended a £1.7m deficit budget. It was noted that, due to the COVID-19 disruption and ongoing integration following the 2019 mergers, the recommendation was for a budget that:

- More than halved the accounting deficit from the current year to £1.7m;
- More than doubled EBITDA from the current year to £3.4m;
- Generated cash of £3.3m, enabling CAPEX of up to £5m while maintaining a year end cash balance of over £15m; and
- Maintained ESFA Financial Health at 'Good'.

The Chair noted her support for the recommendation, noting that, despite the proposal for an increased deficit, she was confident that Activate Learning had significant reserves and a considerable cash balance available to mitigate this.

*JVK and SS left the meeting at 18:00, and DM assumed role of the Chair.*

The CFO advised that income was expected to grow, most significantly through 16-18 funding and commercial areas, as campus activity recovered following the disruption of the pandemic. It was also noted that the opportunity to reduce pay costs to 70%, further in line with the sector benchmark, could increase EBITDA by £0.75m.

*JVK rejoined the meeting at 18:06.*

The CFO provided an overview of Activate Learning's positive cash position, noting that, under the proposed budget, the opening cash balance would be

**MINUTE**  
**NO.**

**ACTION**

£17.6m, and the closing balance £15.9m. It was also noted that cash on hand would equate to 67.8 days, significantly above target for the sector.

The Board considered the key risk areas associated with the 2021/22 budget, including those around 19+ funding, and international and commercial activity. The CFO assured the Board that the Group Executive Team would be initiating a review to deliver a three-year financial plan, including addressing faculty and Apprenticeship contribution rates, Group Service efficiency models, leadership overhead, and campus breadth. It was noted that the financial plan would be presented to the Corporation at the October meeting.

The Board thanked the CFO for his presentation and approved the 2021/22 budget. **All members were agreed.**

**7. Curriculum and Quality Improvement Plan Update**

The Board received the Curriculum and Quality Improvement Plan Update report, which was taken as read, and the DCEO outlined the two main risk areas: shifting the Technology Faculty Self-Assessment Reporting grade from 3 to 2, and the apprenticeships grade from 3 to 2.

JVK requested clarification around the approach to online learning across Activate Learning, and the DCEO advised that he would connect JVK with the Applied Learning Foundation (ALF) and Digital Education Teams.

**Action:** Connect JVK with the ALF and Digital Education Teams, to discuss Activate Learning's approach to online learning

**LN / Clerk**

The Board discussed the staff recruitment and retention figures and asked for assurance that staff who had not responded positively to surveys had been contacted to examine any issues, and ensure improvements were underway. The DCEO advised that there were significant improvements required around the completion of staff exit interviews and noted that these conversations could be much more meaningful. It was also noted that a focus on personalised inductions and shifting from simply "attracting" to "retaining" good quality staff could significantly improve retention and satisfaction.

**8. Group Strategic Risk Register**

Upon the recommendation of the Audit & Risk Committee, the Board received and approved the Group Strategic Risk Register. **All members were agreed.**

**9. CEO Report**

The Board received and noted the CEO Report, and the CEO informed the Board of the positive feedback received during a recent meeting with the ESFA. It was also noted that the Strategic KPI Summary was attached to the CEO report as an appendix, and the CEO asked Board members to provide any comments on the KPI report outside of the meeting.

**Action:** Provide any comments or queries on the KPI report to the CEO, to revisit at the October Corporation meeting if necessary

**ALL**

**10. Audit Strategy 2021/22**

Upon the recommendation of the Audit & Risk Committee, the Board approved the appointment of Mazars as external auditors for the 2020/21 year, and RSM as the internal auditors for 2021/22. **All members were agreed.**

**11. Schedule of Business 2021/22**

The Board received and approved the Schedule of Business 2021/22. **All members were agreed.**

**MINUTE  
NO.**

**ACTION**

**12. Use of Corporation Seal**

There were no used of the corporation seal to report.

**13. Policies**

The Board received and approved the Equality and Diversity Policy, and the Policy Approval Schedule 2021/22, as recommended by the Search & Governance Committee. **All members were agreed.**

The Board received the Financial Regulations, and requested assurance that a procedure existed which covered the fraud risk associated with credit card use, as well as the spending limits. The CFO assured the Board that there was a procedure in place to cover credit card use and fraud, and that he would investigate spending limits, and the Policy and associated procedures would be updated accordingly. Subject to the amendments above, the Board approved the Financial Regulations. **All members were agreed.**

**Action:** Update the Financial Regulations and associated procedures, in line with the suggestion above

**CFO**

The Chair of the Search & Governance Committee (PO) requested assurance that the list of policies requiring Corporation approval had been recently verified with the Internal Auditor.

**Action:** Contact the Internal Auditor to confirm that the list of policies requiring Corporation approval is up to date

**Clerk**

The Board asked for clarification on Activate Learning's approach to sexual harassment cases across schools and colleges, and the CEO assured the Board that training across the group was a key element of increasing awareness of sexual harassment, however more training was required to help staff, parents and students in spotting the signs of sexual harassment.

JC requested clarification around the policy and approach to cyber security, and advised that a recent cyber security simulation at his workplace had been insightful. It was noted that, although cyber security policies and practices across Activate Learning were efficient, the Clerk would undertake research around the possibility of a simulation exercise.

**Action:** Consider the possibility of a cyber security simulation exercise

**Clerk**

**14. Search & Governance Committee**

The Board received the minutes of the Search & Governance Committee meeting on 28 June 2021, and PO provided a verbal update, noting that the Succession Planning Working Group had merged into the Search & Governance Committee.

The Board also considered the skills gaps that would arise as a result of the retirements of PO and JVK the following year, and noted that this should be considered during upcoming governor recruitment.

**Action:** Consider the skills gaps that will arise due to upcoming governor retirements, to inform governor recruitment

**Clerk**

The Board received and approved the recommendations of the Search & Governance Committee, as follows:

- The reappointments of members of the Audit & Risk Committee and the Search & Governance Committee
- The extension of Julia Von Klonowski's term of office to October 2022

**All members were agreed.**

**MINUTE**  
**NO.**

**ACTION**

**15. Health & Safety Update**

The Board received and noted the Health & Safety Update report.

**16. Safeguarding Update**

The Board received and noted the Safeguarding Update report, and the CEO informed the Board that the Head of Student Support and Designated Safeguarding Lead would be leaving the organisation on 29 September 2021, and the Link Governor for Safeguarding (MW) would be retiring at the end of the year.

**17. Business Engagement Report**

The Board received and noted the Business Engagement Report, and the Link Governor for Employer Engagement (KS) provided a brief verbal update on her input to the business engagement strategy.

The Clerk informed the Board that a review of the link governor structure was underway, and an update would be provided to the Board in time for the October meeting.

**Action:** Provide an update to the Board on link governor roles

**Clerk**

**18. Audit & Risk Committee**

The Board received and noted the minutes of the Audit & Risk Committee meeting on 14 June 2021.

**19. Any Other Business**

No other business was raised.

**20. Dates of Upcoming Meetings**

11 October 2021	09-10 May 2022
06 December 2021	13 June 2022
07 February 2022	18 July 2022
11 April 2022	

**The meeting closed at 18:50.**

Chair .....Date .....

## SUMMARY OF ACTIONS

Action	Responsible
Provide an update on any ideas implemented because of the Design Thinking session, either in your personal or professional capacity, or in your capacity as a governor	<b>ALL</b>
Connect JVK with the ALF and Digital Education Teams, to discuss Activate Learning's approach to online learning	<b>LN / Clerk</b>
Provide any comments or queries on the KPI report to the CEO, to revisit at the October Corporation meeting if necessary	<b>ALL</b>
Update the Financial Regulations and associated procedures, in line with the suggestion above	<b>CFO</b>
Contact the Internal Auditor to confirm that the list of policies requiring Corporation approval is up to date	<b>Clerk</b>
Consider the possibility of a cyber security simulation exercise	<b>Clerk</b>
Consider the skills gaps that will arise due to upcoming governor retirements, to inform governor recruitment	<b>Clerk</b>
Provide an update to the Board on link governor roles	<b>Clerk</b>