**activate learning further education corporation**

**Corporation board meeting**

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| Meeting date: **Tuesday 14 February 2023 5:00pm – 7:00pm** |
| Venue: **Bracknell and Wokingham College**  |

**PRESENT**:

Sue Sturgeon (3/3) Chair of the Corporation

Gary Headland (3/3) Chief Executive Officer

Malcolm Wicks (3/3)

Emma Shipp (3/3)

James Voûte (3/3)

Kathy Slack (3/3)

Andy Stone (3/3)

Julia Von Klonowski (2/3)

Lesha Chetty (3/3)

Dermot Mathias (3/3)

Catherine Prest (3/3)

David Goosey (3/3)

Pauline Odulinski (3/3)

John Cope (1/3)

**IN ATTENDANCE**:                    Steve Ball Chief Operating Officer

 Bernard Grenville-Jones Group Executive Director

 Jon Adams Group Executive Director

 Cat Marin Group Director of ALF and Quality Assurance; *As indicated in the minutes*

 Louise Basu Group Director of People and Change

 Ben Wood Eversheds; *As indicated in the minutes*

 Amy Gleeson Group Governance and Compliance Manager

 Chloe Jones Minute-taker

**CLERK**:   Perry Perrott Group Director of Governance and Clerk to the Corporation

MINUTES

**The meeting started at 5:01**

| **MINUTE NO.** |  | **ACTION****RESOLUTION** |
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|  | Apologies for Absence 1.1Apologies for absence was received from Cheri Ashby, Gill Davidson, Dan Willis, Paul Newman and Elis Blundell. It was noted that Cat Marin is in attendance as a representative of Cheri Ashby.  |  |
|  | Declarations of Interest, Gifts and Hospitality2.1 The Chair of the Corporation declared that they had been to the theatre and for a meal with Saxton Banflyde, they also declared that they went to watch Richard II with Guildford Philanthropy. 2.2 The Director of Governance declared that they had been invited by KINTO to attend the Festival of Speed, but they felt the package was too extravagant and declined the offer.  |  |
|  | Minutes of the Meeting on 13 December 20223.1 PO highlighted that they were in attendance of the last meeting however was not included in the minutes, it was agreed that this would be rectified. **Action: Add PO to the attendance of the Corporation meeting on the 13th December 2022.**3.2 On this basis the Board approved of the minutes from the meeting on 13 December 2022. | **Clerk** |
|  | Matters Arising from the Meeting on 13 December 20224.1 The Board discussed the matters arising and noted that all actions have been completed or will be completed during the meeting with the exception of 8.3 which was noted to be in progress. |  |
|  | Balanced Scorecard5.1 The CEO presented the Balanced Scorecard which included an update on performance against the strategic objectives and an assessment of the current strategic risks and issues. 5.2 A Governor asked whether there was a connection between the staffing issues identified and student retention. The CEO highlighted that there were a number of critical staffing vacancies but that there was insufficient evidence to conclude that students are leaving directly because of staffing issues. 5.6 A Governor asked if the organisation had looked at the root cause of student absence. The CEO commented that the Quality of Education Board was looking into the issue which was complicated and varies for each cohort of students rather than there being a single root cause. The Group Director of ALF & Quality Assurance commented that the cost of living crisis was also having an impact on learner absence as the cost of travel was increasing, leaving the students to consider their priorities against their timetable.  |  |
|  | 5.7 A Governor commented whether there should be a strategic risk from an employer’s perspective. The CEO agreed to consider the suggestion and include as appropriate. **Action: CEO to consider including a strategic risk from the employer’s perspective.** | **CEO** |
|  | Finance6.1 The Board received the finance report, which was taken as read and the Chief Operating Officer (**COO**) highlighted key aspects of the paper using a presentation. The Board noted that the latest view is set to deliver the budgeted deficit of £2.75m however in doing so the organisation would increase the end of year cash balance from a budget of £16.3m to £17.8m due to a more efficient investment approach.6.2 The COO highlighted that the current latest view shows a 6% income increase over the previous year, which is lower than desired but represents growth, if the organisation delivers the latest view as stated, EBITDA is expected to have a ratio of 2.1% to income, which maintains an ESFA financial health rating of "good." The Board noted that the income is £1m - £1.5m down compared to budget however this hides the variability of different income streams, the COO referred to the benefit of grant and student funding explaining that it often does not add marginal contribution and is not profitable income. 6.3 The COO outlined the organisation's financial journey, recognising that it is easy to concentrate on the in-year deficit but emphasised that the organisation is on an improving journey after experiencing two years of Covid-19-related income losses and significant deficits, as well as the absorption of four colleges that were consistently delivering a £6m deficit.6.4 One Governor referenced the demographic data from the financial journey and questioned whether the organisation was utilising it to its full potential and how it compared to other colleges in terms of student numbers. The COO highlighted that there have been benefits from this, and that recruitment of 16-year-old students this year has increased by between 4% and 5% after day 42, which exceeds the expectation for this year. 6.5 One Governor questioned whether there was clear owners for cost reductions and the COO explained that there are owners for these areas as the GET’s main effort has shifted from Ofsted to budget delivery for the year, noting that there are owners for each line of the financial journey held at GET and budget holder level. 6.6 The Board discussed the 700,000 increase in the LLDD provision and noted that funding for the LLDD is very specific, but the organisation has negotiated increased funding from local authorities. The Chair referred to the forecast of cost reduction where it states some of the areas have been agreed in principle but there are no detailed plan which sends concern, the COO explained that the terminology used was to distinguish between what can be achieved by the current resource and what needs further thought however believes there is a robust plan in place. 6.7 One Governor referred to the opportunities schedule and requested that the Board is provided with the timing of these opportunities. The COO agreed to bring this to the next meeting **Action: Provide a timeline in the financial opportunity schedule.**  | **COO** |
|  | Statement of Intent for Public Accountability 7.1 One GET member provided the Board with a verbal update, summarising the new responsibilities to ensure colleges meet the local skills needs. The Board noted that there are three aspects, one being a local skills improvement plan completed by Thames Valley Chamber of Commerce and the Surrey Chamber of Commerce to identify what they believe the local skills needs are. Once the report is received, an impact statement will be produced outlining how the organisation believes they meet the local and national skills needs in a detailed analysis, from here the organisation will need to produce an annual update detailing how the organisation will evolve to meet these skills needs. 7.2 The GET member emphasised that by the end of May, a set of objectives detailing what the organisation will do in the upcoming year to improve how skills needs are met as part of an accountability agreement will be produced. The Board observed that whilst the organisation is actively involved in the process and is aware of what the expected priorities may be, an action plan must be completed before the skills gaps are articulated by the Chamber of Commerce. The Board recognised that plan can be utilised as a promotional tool by the organisation to highlight what they have planned for the upcoming year.7.3 The GET member stated that the action plan would be presented at the following meeting for approval, but the Department for Education (DfE) has stated that they will not offer any feedback on the objectives that have been established, despite the fact that this forms the annual contract.**Action: Action plan on the public accountability to be brought back to the Corporation on 28 March 2023.**7.4 One Governor expressed frustration about the government's choice to withhold feedback and said that because AL is a large organisation, there is an option to challenge this decision. The CEO emphasised that the organisation is forming relationships and does not want to damage them but will welcome a response to the action plan. | **GET Member (JA)** |
|  | OFSTED Report8.1 The Board received the Ofsted report, which was taken as read and the GDAQ highlighted the learner journey review, explaining that it is built into the empowering learning strategy, focusing on learners in accordance with the learning philosophy to achieve an "outstanding" rating by academic year 24/25. 8.2 The Board noted that Rockborn is the project management support consultants and the Deputy Chief Executive Officer will be leading the project. By April, a decision-making process will begin at the Corporation level, and the consultation and implementation will start at the start of the next academic year.8.3 One Governor summarised items the organisation has to do to achieve "excellent" and questioned why they were not alluded to in the review document, the Board noted that these points will be included in the action plan. 8.4 The CEO informed the Board that organisation has had prior relationships with Rockborn but does not find a conflict of interest. The Board noted that there is a relationship with all 3 of the organisations involved in this project as it is a relatively small market.8.5 The CEO recognised that the word ‘review’ could cause disruptions within the organisation and the phrase “value for money” may be interpreted as cost saving, which it is not and it is unlikely that this project will deliver any cost savings in year, instead it will improve quality and value for money. However, it was noted that this review will have an impact because non-value-adding operations may result in savings or redundancies.8.6 The CEO emphasised that the organisation's business model presents a challenge, so there is a need for value for money, but added that the goal is to reach a surplus budget; this will not be accomplished through aggressive cost reduction that will destroy the organisation, though some may find the measures that are implemented unsettling. The Board noted that there is flexibility as the organisation has substantial reserves of cash and estate.  |  |
|  | TEF Submission9.1 The Board received the TEF submission report, which was taken as read and the GDAQ highlighted that the organisation has been awarded a ‘silver’ rating. A new submission was made in January which is anticipated to maintain the silver rating however there is potential to score bronze regarding student satisfaction. The Board noted that the students surveyed for this submission correlate with 14.5% of the Higher Education (**HE**) provision however the statistic for student satisfaction is substantially higher when surveying a wider cohort.9.2 One Governor raised that learning resources is a major source of dissatisfaction in HE. They mentioned the associate college collaboration with Oxford Brookes University and questioned whether there was an agreement allowing the organisation to utilise their resources. The Board observed that the Merrist Wood land-based provision is the main source of student dissatisfaction with learning resources; despite significant investment in the provision and it was acknowledged that there are facilities, but they have not been effectively communicated.9.3 One Governor referred to staff upskilling and asked if Further Education (**FE**) staff had access to it. Although it was recognised that this was not the case, doing so could aid the organisation in staff retention. 9.4 The Board noted that 69% of HE students are adult learners, and that there is potential to capitalise on this fact by creating a pathway for level 3 second-year students, it was suggested that study programme owners recommend HE programmes during progress reviews for this group of students.9.5 The CEO acknowledged that there is not measurable investment into HE and requested that the Board discuss this in more detail in May.9.6 One Governor inquired how this relates to graduate apprenticeships, also from the perspective of employment, how many employment opportunities are within or outside the local community which will determine how local businesses are supporting the employment opportunities that the organisation has created.9.7 It was noted that the organisation must remain clear on what they would like to grow based on the market, but it is anticipated that the digital pathway will feature strongly. One GET member explained that work is being done to research the apprenticeship market and bring that together with the research done on HE market opportunities. |  |
|  | ***The Board took a break at 6:37pm and returned at 6:47pm.***HE and FE Quality Update10.1 The Board received the HE and FE quality update report, which was taken as read and noted that the target rate on page 3 was provided prior to validation and has been amended. The GDAQ highlighted the apprenticeship sensitivity table stating that the target for apprenticeships is 60% and that it is advantageous to include scenarios which outline what they would do to the adjusted forecast and what mitigations are in place.10.2 The Board noted that the retention rate last year was 86.8%, this year's aim is 88.4%, and it is currently sitting at 95.4%; however, two areas are significantly below expectations: Academic and Professional Studies is sitting at -3.4%, and Land Based is sitting at -3.7%.10.3 The Board noted that A-Level retention rates often decrease as students who are unsuccessful at AS level are not accepted to A2. However, there has been identified inconsistencies with regard to how the programmes are being delivered throughout the organisation; as a result, the quality team is working to achieve consistency and ensuring students are successful enough to progress on to A2. |  |
|  | College SAR/IP11.1 The Chair emphasised the many accomplishments in the SAR, highlighting how the organisation is implementing the learning philosophy, the retention and satisfaction rates of adult learners, and the connect to college innovation. However, it was noted that attendance and retention need improvement, which was noted to have resulted in a loss of £1m.11.2 The GDAQ explained that the two faculties that were graded 3 are having follow up IP progress meetings which a Governor will attend.11.3 One Governor emphasised that the detailed assessment that was identified showed distinct areas of strength and for improvement; this was validated by Ofsted and demonstrates that managers have the ability to appropriately assess the provision. It was noted that the SAR validation was delayed by Ofsted, which allowed for evaluation of the action plan's progress. 11.4 A Governor highlighted that a discussion has been held for the targets for this academic year which will go for validation next year and emphasised that they are not expecting to be ‘outstanding’ this time next year, rather a much stronger grade 2. 11.5 One Governor referred to developing team skills in digital competencies in all programmes and asked what this meant in practice and the Board noted that a full training session is being developed and will be rolled out faculty by faculty tailored to the needs of individuals. 11.6 The GDAQ provided feedback to the Board detailing that there has been very positive comments made about the insightful comment and challenge that the Governors provided to the process. **Resolutions: The Board agreed to adopt the SAR.** | **Board** |
|  | Link Governor Updates12.1 There were no link governor updates.  |  |
|  | Any Other Business and Date of Next Meeting13.1 There was no other business.13.2 The Board was provided with the dates for Governor activities and meetings for the year.  |  |

**The main meeting closed at 7:05pm and entered the confidential session.**

Chair .................................................................... Date ………………………………………