



ACTIVATE LEARNING FURTHER EDUCATION CORPORATION CORPORATION BOARD

Meeting date: **Tuesday 28 March 2023 5-7:30pm**

Venue: **Microsoft Teams**

PRESENT:

Sue Sturgeon (4/4)
Gary Headland (4/4)

Chair of the Corporation
Chief Executive Officer (*As indicated in the minutes*)

Malcolm Wicks (4/4)
Emma Shipp (4/4)
Kathy Slack (4/4)
Andy Stone (4/4)
Catherine Prest (4/4)
David Goosey (4/4)
Pauline Odulinski (4/4)
John Cope (2/4)
Dan Willis (3/4)
Julia Von Klonowski (4/4)

As indicated in the minutes.

IN ATTENDANCE:

Cheri Ashby
Steve Ball
Bernard Grenville-Jones
Jon Adams

Deputy Chief Executive Officer
Chief Operating Officer
Group Executive Director
Group Executive Director (*As indicated in the minutes*)

Paul Newman

Group Executive Director (*As indicated in the minute*)

Louise Basu
Neil Brookes
Chloe Jones

Group Director of People and Change
Interim Group Executive Director
Minute-taker

CLERK:

Perry Perrott

Group Director of Governance and Clerk to the Corporation

MINUTES

The meeting started at 5:06pm

MINUTE NO.

ACTION RESOLUTION

1.

Apologies

1.1 Apologies for absence were received from James Voute, Lesha Chetty and Dermot Mathias.

**MINUTE
NO.**

**ACTION
RESOLUTION**

2. Declarations of Interest, Gifts and Hospitality

Kathy Slack joined the meeting at 5:07

2.1 John Cope declared that they have joined the Governments Digital Skills Council and the Director of Governance (**DoG**) asked for them to complete a declarations of interest form.

3. Minutes of the Meeting on 14 February 2023

3.1 The DoG raised that the Chief Executive Officer (**CEO**) had requested an amendment to point 5 of the minutes of the last meeting, as the change was the minimal, the Board approved the minutes.

Action: Clerk to amend point 5 of the minutes from 14 February 2023 as identified by CEO.

Clerk

4. Matters Arising from the Meeting on 14 February 2023

4.1 The Board noted that all actions have been completed except for action 6.1. This action will be resolved outside of the meeting.

5. Finance

5.1 The Board received the finance report, which was taken as read and the Chief Operating Officer (**COO**) presented a slideshow to highlight key points of the report. The COO summarised the slides, outlining that the end-of-year forecast for cash was £17.2m against a budget of £16.3m

5.2 The COO highlighted that the organisation will be receiving a capital expenditure grant in April 2023 of £1.7m as part of the Department for Education's response to the reclassification into the public sector. The COO explained that the grant was to be focused on condition improvement and would need to be spent by March 2025. The Board noted that if the grant was not spent on its intended purpose, the full amount would have to be given returned.

5.3 The COO outlined the key measures that help the organisation track performance as well as ESFA financial health and explained that pay cost has declined as a percentage of income, EBITDA is projected at 2.1% of income and debt is 5.1% of income; it was noted that the latest view will maintain a ESFA financial health rating of 'good'.

Gary Headland (CEO) joined the meeting at 17:15.

5.4 The COO highlighted that the shortfalls to income had been against adult income, specifically advanced learner loans due to recent market conditions and the reduction in learners being willing to take on a loan. However, the Board noted that there was still a projected 6% income increase year-on-year.

5.5 The COO referred to the management accounts paper which highlighted that there had been movements in some of the budget lines, the LGPS pension had a revised contribution rate as of April 2023 which would give a reduction of 2%, the Board noted that this equated to £1m in reduced pension contribution per year. The COO highlighted a funding rate increase of 2.2% for the adult education budget, the Board noted that the organisation had forecasted to be below the threshold for the adult allocation however the funding increase would allow the organisation to reach the 97% allocation.

Paul Newman joined the meeting at 5:19pm

**MINUTE
NO.**

**ACTION
RESOLUTION**

5.6 The COO provided the Board with a summary of the timeline for the new income streams, Digital Bootcamps and Green Skills Bootcamps have been built into the forecast as they will be delivered from April 2023. The Activate Enterprise teams have delivered sales wins with Evans Cycles, Go Outdoors and Northumbrian Water, it was noted that some benefit may be seen in year however the majority of benefit will be seen in 2023/2024. Lastly, the COO mentioned that grant funding would also be seen into 2023/2024.

5.7 The COO informed the Board that there has been income decreases in a few of the budget lines due to enrolments not being as high as expected and some of the cost mitigations had proven too difficult to factor into this year forecast therefore will be factored into 2023/2024.

5.8 The COO highlighted the organisation's financial journey, and it was noted that 18/19 was heavily impacted by merger activity however over time income, EBITDA and the surplus has increased year-on-year.

5.9 One Governor recognised that pay costs of a percentage of income has improved even though there has been no structural changes to drive the cost down and wondered whether this is having an impact on the quality and quantity of service. The COO explained that some delivery areas are facing difficulties as they are unable to recruit into critical vacancies which is causing a decrease in leadership capacity; however, the majority of the cost savings have come from group services functions where it is easier to reduce service.

Dan Willis joined the meeting at 5:29pm

5.10 The Chair wondered what the biggest risks to meeting the target budget and the COO explained that the highest risk remains to be securing in-year income, it was noted that the forecast is a best estimate of delivery, and the majority of activity is from annual programmes however the organisation needs to ensure that the students are retained.

6. Quality Update

6.1 The Board received the quality update paper, which was taken as read and the Deputy Chief Executive Officer (**DCEO**) outlined key statistics and areas of risk to the student quality outcomes, it was noted that apprenticeship achievement rates are slightly above the target outturn however the DCEO reminded the Board that some achievements are made in the next academic year due to the End Point Assessment (**EPA**) date.

6.2 The DCEO highlighted that the biggest risk for this academic year is retention in the Further Education (**FE**) provision as the rate is currently below where expected to achieve the target outturn. The Board noted that to mitigate the risk, all students have had their progress review to motivate them to think about progression opportunities. The DCEO highlighted that many students are impacted by the cost-of-living crisis, therefore, a breakfast club has been launched to ensure students are eating before their lessons. Additional funding for bursary's has also been sought.

The Board noted that a lot of focus is on GSCE English and Maths as the attendance figures sit below the main qualification figures, the DCEO highlighted that each student has had personal progress reports, all have access to online recourses and the organisation is now offering all students evening online revision classes.

6.3 The DCEO highlighted the Kingston University review of the Higher Education (**HE**) land provision and acknowledged the positive outcome. The Board noted that the report had several commendations including supportive staff, the excellent HE centre, good teaching, learning and assessment and the courses

**MINUTE
NO.**

**ACTION
RESOLUTION**

provided are highly relevant to chosen career pathways. The DCEO outlined the recommendations of the review which were to showcase success stories to external stakeholders, to have an industry advisory panel for land HE and to provide staff with greater access to Kingston University's continuous professional development opportunities.

6.4 The DCEO informed the Board that in the next 12 to 18 months, the organisation would be having an Ofsted inspection of the initial teacher education provision. It was noted that the preparation would be starting next term with a teacher training mentor day on Tuesday 27th June at Reading College. The DCEO welcomed Governor involvement and participation.

6.5 One Governor raised concern over comments made during the student conference at Reading College surrounding poor quality of teaching and resources and wondered how the feedback was going to be handled. The DCEO informed the Board that the Heads of Campus – Student Experience, would be collating all the feedback and creating an action plan against the areas for improvement which can be brought back to the Board.

Jon Adams joined the meeting at 5:58pm

6.6 One Governor referred to the issue of apprenticeship students falling out of funding because of their EPA falling into the next academic year and wondered how confident the organisation is that this will decrease. The DCEO explained that this has been factored in and work has been completed to monitor each apprentice's progress.

6.7 One Governor referred to the work done with faculties that require improvement and it was highlighted that faculty managers knew what the issues were and were very enthusiastic about bringing improvements.

6.8 The Chair highlighted the sensitivity analysis of the report and questioned whether the organisation is being over-optimistic, they also referred to the apprentice carry overs and high amount of EPA resits and questioned the impact this has on the teams. One Group Executive Team (**GET**) member explained the difficulty in recruitment within the Technology faculty but felt confident that the organisation would be in a better position. The Board noted that there had been a year-on-year decrease in carry overs.

7. Balanced Scorecard Report from CEO and GET

7.1 The CEO introduced the Balanced Scorecard was provided an update on performance against strategic and operational objectives and the latest risks and issues.

7.2 The CEO commented that the Review of the Learner Journey, linked to the strategic objective of preparing and configuring for growth, was a high priority.

7.3 A Governor questioned whether the Ofsted grade of one of the Activate Learning Education Trust (**ALET**) schools was expected. The CEO answered the specific question and commented that Activate Learning is a Member of ALET with specific responsibilities that do not include operational oversight of the organisation which is the responsibility of the Directors of ALET. The CEO had attended the most recent meeting of the ALET Members meeting during which no indication was made UTC Reading was in difficulty. One Governor highlighted that it would give the Board better understanding of the potential reputational impact if the reasons behind the Ofsted grading were known, the DCEO explained that the main reason for the grade was around safeguarding. It was noted that the school in question is now under new leadership.

**MINUTE
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7.4 One Governor highlighted the GET objectives and wondered why the objective surrounding online learning was not expected to be completed by September. It was explained that initially the vision was to be stable with the growth of the online provision and then create a strategy to continue growth into the next academic year. Growth is happening in-year; therefore, the strategy is working at a slower pace whilst focus is on growing the provision.

7.4 One Governor highlighted an action from the previous meeting relating to a potential strategic risk from the perspective of employers. It was agreed that this would be discussed outside of the meeting.

The meeting was stopped at 6:35pm and resumed at 6:40pm.

8. Accountability Agreement

8.1 The Board received the accountability agreement report, which was taken as read. The Board was reminded that local skills improvement plans (**LSIP**) will be published in the summer for each of the counties which AL operates in. The plan will articulate what the local skills needs are and in the autumn the organisation will produce an evaluation based on how well it meets the local skills needs identified. The Board noted that the organisation would produce an accountability agreement annually to outline in-year objectives to evolve how well the local skills needs are being met.

8.2 It was explained to the Board that the process is out of sequence as the organisation is completing an accountability agreement without sight of the LSIP. It was noted that the accountability agreement is due for submission in May, therefore, it was proposed that the Board delegate approval authority to the Chair of the Corporation and the Link Governor for stakeholder engagement.

8.3 The Board discussed the end of the Local Enterprise Partnership (**LEP**) and what effect this may have on the LSIP. It was noted that local authorities have previously not had a role in the governance or scrutiny of further education however they will in the future and the organisations relationship will shift from LEPs to local authorities.

8.4 One Governor asked whether the draft accountability agreement could be shared with the Board for information and input but leaving approval authority with the Chair.

Action: JA to share the draft accountability agreement with the Board for information and input.

JA

8.5 A GET member highlighted that the guidance provided states that an organisation might create a separate accountability agreement per LSIP area, however, the Board noted that Activate Learning will be creating one accountability agreement that reflects all of the LSIPs.

Resolution: The Board agreed by vote that the draft accountability agreement will be shared with all Board members and approval of the agreement sits with the Chair of the Corporation and the Link Governor for stakeholder engagement.

Resolution

9. Staff Assembly Proposal

9.1 The Board received the staff assembly proposal report, which was taken as read and the Staff Governor summarised the proposal, highlighting that the aim of the assembly is to gain insight and feedback from a wider range of staff as well as a greater understanding of how decisions made by the Board are landing on the

**MINUTE
NO.**

**ACTION
RESOLUTION**

ground. The Board noted that this has been brought to the meeting for approval, with the intention to start over the summer.

9.2 The COO questioned whether the assembly is going to be insight from staff from a governance and Corporation Board perspective or whether it is an opportunity to seek a broad employee voice from a general perspective. The CEO explained that this is not a subcommittee of the Corporation Board and will not replicate the role of the staff governor or the JCC. It was noted that attendance can be rotated to ensure the employee voice is heard.

9.3 The CEO highlighted that there is an error in point 4.1 in the Terms of Reference (ToR), ("***The Staff Assembly shall annually appoint a Chair from among its members, who shall serve for a period of one year***") as it had been agreed that the Staff Governor will be the Chair of the assembly.

Action: Amend 4.1 of the Staff Assembly ToR to reflect that the Staff Governor will be the Chair of the assembly.

Staff
Governor

9.4 One Governor asked for clarification over point 6.3 of the ToR ("***The Staff Assembly may, at its discretion invite interest in the work of the Corporation through media advertising and professional and other contacts***") and ("***commission skills audits to establish the balance of skills and experience among the members of the Corporation***"), it was noted that the points are standard points for a Corporation/Committee ToR and will be removed.

Action: Remove 6.3 of the Staff Assembly ToR.

Staff
Governor
Resolution

Resolution: The Board voted and approved the Staff Assembly proposal with the agreed changes to the ToR.

10. Co-Opted Governor Proposal

Cathie Prest left the meeting at 6:59pm

10.1 The Board received the Co-Opted Governor proposal, which was taken as read and the DoG highlighted that if agreed, the Board will have 11 full time Governors and will fill the skills need for FE expertise.

10.2 One Governor highlighted that the cover paper indicates that only the DoG and the Chair of Search and Governance was consulted, however, this had been brought to the Search and Governance Committee and was approved.

Resolution: The Board voted and approved for Cathie Prest to become a full time Governor with a 3-year term.

Resolution

Cathie Prest re-joined the meeting at 7:01pm

11. Link Governor Update

Equality, Diversity, and Inclusion (EDI)

11.1 The Board received the EDI link governor report, which was taken as read and the Link Governor for EDI highlighted that a request was made by the EDI Committee for EDI to become more connected with the Board.

Health and Safety (H&S)

11.2 The Link Governor for H&S provided a verbal update, highlighting the work that has been done over the recent months to have a more coordinated and proactive approach to issues identified in the SAR. The Board noted that there is a lack of fire marshals across the group, therefore, the H&S team has implemented an approach in Bracknell and Reading whereby every member of

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NO.**

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staff is a trained fire marshal and in the event of a fire, the first person to reach the fire marshal box will ensure the area is clear.

11.3 The Link Governor highlighted that as part of the ESFA reclassification, all first aid kits and defibrillators are now available on a public register. To aid this the H&S Team are looking to put public access trauma first aid kits across all campuses.

11.4 The Board noted that health surveillance assessments are being completed for staff who may be at risk, this is currently at 90% attendance and will be renewed every 3 years.

11.5 The Link Governor is now meeting with the H&S team monthly to review progress against the SAR and to complete site walks. The Board noted that a walk was completed at Bracknell recently and it was found that the equipment in the engineering lab had not been tested since 2019, this is where the monitoring system will be useful as the team will not be relying on staff to report these issues.

12. Policies

12.1 There were no policies for approval.

13. Use of the Corporation Seal

13.1 The Chair raised two items that require the Corporation seal, subject to the Boards approval, these were noted to be the tender for skills package with West Midlands Combined Authority and license for use of the athletics track at Banbury.

Resolution: The Board approved the use of the Corporation seal.

Resolution

14. Any Other Business and Dates of Next Meeting

14.1 The DoG provided the Board with a paper, requesting approval to advertise for the recruitment of a new Governor. The CEO asked for visibility of the advert before it is made public.

Resolution: The Board voted and approved the advertisement for a new governor with the Search and Governance Committee, CEO and Chair involved in the appointment.

Resolution

14.1 The Board was provided with dates of upcoming Governor events; the Chair highlighted the Coronation cocktail party on May 2nd and the Governance and Strategy Day at Reading campus on May 9th.

The main meeting closed and entered a confidential session at 7:11pm.

Chair Date