

ACTIVATE LEARNING FURTHER EDUCATION CORPORATION CORPORATION BOARD

Meeting date: **Monday 10th July 2023**

Venue: **City of Oxford College**

PRESENT:

Sue Sturgeon	Chair of the Corporation
Gary Headland	Chief Executive Officer
Malcolm Wicks	
James Voûte	
Kathy Slack	
Andy Stone	
Julia Von Klonowski	
Lesha Chetty	
Dermot Mathias	
Catherine Prest	
Pauline Odulinski	

IN ATTENDANCE:

Steve Ball	Chief Operating Officer
Cheri Ashby	Deputy Chief Executive Officer
Bernard Grenville-Jones	Group Executive Director
Jon Adams	Group Executive Director
Neil Brooks	Group Executive Director
Louise Basu	Group Director of People and Change
Chloe Jones	Minute-taker

CLERK:

Amy Gleeson	Acting Head of Governance / Clerk to the Corporation
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MINUTES

The meeting started at 5:29

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1.

Apologies for Absence

1.1 Apologies for absence were received from David Goosey, Emma Shipp, John Cope and Dan Willis.

2.

Declarations of Interest, Gifts and Hospitality

2.1 The Board noted that the Chief Executive Officer (**CEO**) accepted a gift on behalf of Activate Learning. The gift was a signed Chelsea Football Club shirt from an Activate Learning (**AL**) alumnus which will be displayed in an appropriate area at one of the Activate Learning campuses.

2.2 The Chair informed the Board that they received tickets and attended, the Shine Festival at Merrist Wood College.

3.

Minutes of the meeting on 28th March 2023

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3.1 Julia Von Klonowski (**JVK**) highlighted that she was present at the last meeting, but she had been recorded in the minutes as absent. The Clerk agreed to rectify the minutes.

3.2 The Board approved the minutes of the meeting on 28th March 2023 as an accurate record of the meeting.

Action: Amend the minutes from the previous meeting to show Julia Von Klonowski as in attendance.

Clerk

4. Matters Arising from the Minutes of 28th March 2023

4.1 The Board received the Matters Arising from the minutes of 28th March, noting that all due actions had been completed.

5. Balanced scorecard report from CEO and GET

5.1 The Board received the Balanced Scorecard report, which was taken as read.

5.2 The Chief Executive Officer (**CEO**) provided an update on performance against the strategic and operational objectives and organisational risks.

5.3 The Board noted that the review of the Learner Journey had been the focus for the reporting period and the organisation had accomplished what was outlined in the mandate.

5.4 The Board discussed Activate Learning joining the Chartered Institute for Further Education (**FE**) and the cost to the organisation. The Board noted the cost of membership and the likely benefits which included professional development and recognition for staff and support to achieve our organisational objective for 2023/24 of raising Activate Learning's profile as a leading organisation in further education to build our reputation, support other colleges and potentially access resources to pilot new initiatives.

5.5 One Governor queried if the insecurity of the Business Engagement Specialists role was linked to the organisations structural changes. The CEO clarified that the insecurity was initially due to the loss of external funding and advised that the matter has now been resolved. The Board noted that the Business Engagement Specialists had been integrated into the Marketing and Communications Team meaning the organisation has an integrated sales department as well as Marketing capability.

5.6 The Board discussed the Safeguarding risks within the Balanced Scorecard. The Chair informed the Board that she was aware of the risks that had been highlighted and feels reassured that the organisation is working to rectify them. The Chief Operating Officer (**COO**) explained that there had been a combination of change since last year, particularly with the staffing model. The Board noted that for the next academic year, the team in question will return to a standard staffing model and the risk level will be decreased to three.

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Finance

6.1 The Board received the Finance Paper which was taken as read. The paper included the management accounts for period 10 and the proposed budget for 2023/24.

6.2 The CEO highlighted that it had been a demanding financial year because of the high level of inflation and explained that the organisation had focused on all aspects of financial health including income and expenditure, cashflow and the strength of the balance sheet. The CEO commented that strict internal controls had been necessary to achieve the best possible outcome.

6.3 The COO delivered a presentation and reminded the Board of the three key measures (financial health, cash and income and expenditure performance). The Board noted that the latest view for the current year consolidates the organisation as good with the ratio being heavily driven by cash and the borrowing of the funds was from the Department of Education (**DoE**) when the organisation merged with Bracknell and Wokingham College.

6.4 The Board noted that the organisation would be £2.9m higher in cash balance than budgeted due to grant funding received (£2.5, from DoE due to the reclassification, £700k from energy efficiency and £1.5m for infrastructure).

6.5 The COO outlined the net available cash and highlighted that there would be funding clawbacks due to some of the funds being paid in advance, e.g. grants. The Board noted that the funds would need to be invested by March 2025 and the organisation plans to invest them during the next academic year. The COO informed the Board that after short-term and long-term commitments, the organisation had £8m of uncommitted cash. The Board noted that the long-term obligations included the loan for the merger with Bracknell and Wokingham which the organisation will start to repay in 2027 and the Merrist Wood grant with a 5-year payment profile.

6.6 The Chair queried what the annual cost of repayment would be, and it was noted that it would be just under £1m.

6.7 The COO outlined income and expenditure and highlighted to the Board that the organisation would deliver an EBITDA of c£1.5m which is 1.6% to income. The Board noted the increase of 9% year of organic income growth for the year which was slightly below the budget target. The Board was informed of the challenges regarding in year income generation, especially in areas such as 19+ and apprenticeships.

6.8 The COO highlighted the significant control of and reduction to expenditure, and the reducing staff to income cost from 73% to 71%. The Board considered the effect of the expenditure reduction within the organisation and noted that the organisation used cost saving measures within Group Services to reduce the impact on the learner experience, however, as result, service level agreements had been impacted.

6.9 The Board referred to the proposed budget section of the paper. The COO reminded the Board of the principles set to ensure the organisation had realistic income assumptions to drive cost effectiveness, create investment opportunities for growth and to demonstrate value for money. The Board noted that the organisation will continue to drive the improvement of EBITDA and the reduction in deficit.

6.10 The Board noted that the proposed budget gives the organisation 3.5% EBITDA to income with a cash balance of £16m and no additional borrowing which will maintain an ESFA financial health rating of good. The Board also noted that it is expected that the current ratio will decrease, and the EBITDA will increase

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through investing some of the cash balance which will spread the financial health more effectively with less risk.

6.11 The Board noted that the organisation had predicted a year-end cash balance of £16m which would give the organisation an unrestricted long-term balance of £9m. The COO explained that after having a higher balance for several years, the organisation would seek to invest as a platform for future growth. It was noted that this would give the organisation an EBITDA of c3.5% to income compared to the current year of 1.6% to income.

6.12 The COO highlighted the net reduction on income year on year, explaining that some of the income generated this year was non-productive in terms of contribution and the organisation is not budgeting as much for next year which is driving the net reduction on income. The Board noted that the assumptions on in year income generation are modest, linking to the EBITDA generation around staff costs and non-paid costs.

6.13 One Governor questioned whether lowering the target income would be beneficial and the COO explained that the net reduction in total income was due to the grant funding that was not contributing to the organisation's overheads. The Board noted that although the income had been useful, it had not contributed to the EBITDA.

6.14 One Governor queried if the organisation had undertaken a review of the provision to identify courses that would not be financial justifiable to run. The COO confirmed that this had taken place as part of the learner journey review, and included a comparison of contribution rates compared to how it landed on the LISP.

6.15 The Board briefly discussed student retention and the link between student loans. The COO explained that the organisation had struggled within this area as due to the economic climate, people are less willing to take on a loan. The Board noted that this may improve after the introduction of the Lifelong Learning loan in 2027. The CEO emphasised the focus on retention for the next academic year and reminded the Board that the first 42 days does not count towards overall retention. The Board noted that the organisation will purpose to reduce the level of attrition of students within the first 42 days of the next academic year from c6.5% to the national average of 5%.

Resolution: The Board approved the proposed budget for 2023/24 as presented.

Board

7.

Quality Performance Update 2022/2023

7.1 The Board received the Quality performance update paper, which was taken as read.

7.2 The Deputy Chief Executive Office (**DCEO**) provided an overview on Student Retention. The Board noted the year end retention rate was currently 90.7%, a deviation of 0.3% from the organisations target but 0.9% higher compared to the previous academic year. The DCEO informed the Board that the organisation was on track to achieve the target by the end of the academic year. The Board also noted that the retention figures included the attendance for the GCSE exams which would equate to 5,640 learners, 1,000 more than in the previous academic year due to growth of the organisations online provision.

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7.3 The DCEO provided an insight into the organisations achievement rates and highlighted that that the organisation was on track to reach the target of 81.5%.

7.4 The Board noted the attendance rates for the group were lower than expected (82.8%) with a target of 87.5%. The DCEO advised the Board that the organisation achieved 82% attendance for the previous academic year. The Board also noted that ALET schools are currently 5% below target after not recovering from the pandemic and apprenticeships are forecasted at 57.7%.

7.5 The DCEO informed the Board of the key challenges within the sector, particularly mental health amongst students. The Board noted that the organisation had recorded 1,500 reports of mental health, 750 students on a specific risk register and 68 learners had tried to commit suicide.

7.6 The Board noted the impact of the cost-of-living crisis amongst students. The DCEO highlighted that some students prioritised work over studying or used college bursaries to supplement family income causing a further impact on mental health and well-being. The DCEO explained that the organisation is providing breakfast clubs, clothes hubs, and foodbanks to support.

7.7 The Board noted that the quality of provision was not fully consistent across the group, however, the organisation expects to see an improvement as a result of the outcome of the Review of the Learner Journey and the creation of the new Education Leadership Team (ELT).

7.8 The Board noted that teacher vacancies are high nationally and the recent research by the AoC indicated that the key areas were in construction, engineering, and health care.

7.9 The Board discussed the increase in mental health amongst students. The DCEO provided an updated on the organisations actions to support students, outlining that the latest guidance from Keeping Children Safe in Education had strong emphasis on trauma informed practice and ensuring staff can recognise those who had adverse childhood experiences. The Board noted that the organisation took part in mental health awareness week which included specialists from CAMHS delivering sessions to parents/carers. The DCEO informed the Board of the organisation's mental health strategy, 'Mental Health Matters'. There is a suite of resources for students and a QR code that is linked to a video, made by students and staff, on what mental health means to the organisation. The Board noted three critical priorities for the year which are how the organisation connects with the communities for mental health support, ensuring policies and procedures are trauma informed and further training and resources for staff.

7.10 The DCEO reminded the Board of the Teacher Excellence Framework presented in January, which was explained as an assessment on the quality of student experience or the Ofsted equivalent for Higher Education. The Board noted that the organisation was predicted to retain the silver award, however, some elements might reduce to bronze. The DCEO informed the Board of the internal survey and highlighted that the organisation had an 89% student satisfaction rate with 48% participation rate, it was noted that there were

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programmes that came back with 100% satisfaction rate, including Counselling and Landbased.

7.11 The Board noted that the organisation had separated the Technology Faculty to ensure intense concentration could be put on Construction and Engineering. Digital Occupations had moved into the Creative Industries faculty to form a new CreaTech Faculty.

7.13 One Governor highlighted that the Activate Enterprise Board meetings had not taken place as planned. The CEO explained that previous meetings had been compliance heavy, rather than focusing on quality improvement and sales. The Board noted the quality and improvement element of Activate Enterprise would be monitored by the Quality and Consistency Board and an annual meeting would take place to discuss the compliance.

7.14 One Governor highlighted the absence of apprenticeships at Heathrow. The Board noted that this was due to a change in security.

8.

Audit and Risk Committee Recommendations

8.1 The Chair of the Audit and Risk Committee explained that they were seeking approval of the internal and external audit plans for 23/24 and the Financial Regulations. The Board noted that the documents had been heavily influenced by the ONS reclassification.

23/24 Internal Audit Plan

8.2 The Board received and approved the 23/24 Internal Audit Plan. The Board noted that the plan provided by our internal audit partners, RSM, had been based upon a detailed review of the operating control systems and the implementation of their previous recommendations.

Resolution: The Board approved the 23/24 Internal Audit plan.

Audit Strategy Memorandum 2023

8.3 The Board received and approved the Audit Strategy Memorandum for 23/24. The Chair of the Audit and Risk Committee highlighted that the organisation had a new audit partner from Mazars, and a detailed report had been provided to show how they were going to approach the audits, taking into consideration the new regulations. The Board noted that 'management override' and 'revenue recognition' were the key risks identified.

Resolution: The Board approved the Audit Strategy Memorandum for 23/24.

Financial Regulations 23/24

8.4 The Board received and approved the 23/24 Financial Regulations. The Board noted that the changes related to the reclassification and ensuring the organisation complies with the guidance regarding managing public money.

Resolution: The Board approved the 23/24 Financial Regulations.

9.

Search and Governance Committee Recommendations

9.1 The Board received the Search and Governance (S&G) Committee recommendations paper, which was taken as read. The Chair of S&G provided an overview of each of the recommendations.

Size of the Board

9.2 The Board received and approved the recommendation on the size of the Board. The Board noted that the size of the Board should be a maximum of 17 members, excluding Co-opted Governors, to ensure a diverse range of skills and expertise.

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Resolution: The Board approved the recommendation of a maximum of 17 members on the Board, excluding Co-opt Governors.

Board

Extension of Malcolm Wicks

9.3 The Board received and approved the recommendation to extend Malcolm Wicks' membership by one year (until April 2025). The Board recognised Malcolm's invaluable knowledge, experience, and contribution as a member of the Corporation Board.

Resolution: The Board approved the recommendation of extending Malcolm Wicks' term for an additional period of one year (until April 2025)

Board

Student Governors

9.4 The Chair of S&G informed the Board of the Committee's discussions regarding increasing the number of Student Governors and the Peer Ally Mentorship scheme.

9.5 The Board acknowledged the valuable contribution of the Student Governors during the Strategic Away day.

9.6 The Board received and approved the recommendation to increase the number of Student Governors from two to three and the launch of the Peer Ally Mentorship scheme as pilot for 23/24.

Resolution: The Board approved the recommendation to increase the number of student Governors and the launch of a Peer Ally Mentorship Scheme for a pilot period of one year.

Board

9.7 The Board agreed the appointment of the three Student Governors named within the paper (Latifah Taha, Natalia Malczewska and Ash Wallace).

Resolution: The Board approved the recommendation to appoint the three named Student Governors as members of the Corporation Board for a period of one year (until July 2024).

Board

SEND Link Governor

9.8 The Board noted the FE (Further Education) and sixth form college governance guide had updated the Corporation's responsibilities relating to students with SEND, particularly the requirement for the Board to have a SEND Lead Governor.

9.9 The Board received and approved the recommendation to integrate the SEND responsibilities into the existing responsibilities of the Safeguarding Link Governor

Resolution: The Board approved the recommendation to include the SEND Lead Governor responsibilities as part of the existing responsibilities of the Safeguarding Link Governor role.

Board

Appointment of Emma Shipp

9.10 The Board received and approved the appointment of Emma Shipp as a member of the Search & Governance Committee for a period of three years (until July 2026).

Resolution: The Board approved the recommendation to appoint Emma Shipp to a member of the Search and Governance Committee for a period of three years.

Board

9.11 One Governor highlighted that the Committee membership would go beyond Emma Shipp's terms of office. The Clerk advised that in accordance with our

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articles and instruments, when a Governor ceases to be a member of the Corporation, they also cease to be a committee member.

Succession Planning Update

9.12 The Board noted that the Committee would be completing Succession Planning activities including a Skills Audit, Equality and Diversity questionnaire and a Board self-assessment.

9.13 Board members were encouraged to engage with the upcoming Succession Planning activities as the results would indicate the needs of the Board and contribute towards the Governor appraisal process. Board members were also encouraged to consider their future involvement on the Board, particularly with Sub-Committee memberships and Link Governor activities.

9.14 The Board noted that a recruitment process had been underway for a Governor with expertise in finance, audit, and risk management. Interviews were scheduled for July and any appointments would be made electronically to the Board to enable the new Governor to be recruited and inducted before the start of the new academic year.

9.15 The CEO referred to the earlier discussion on mental health and suggested that S&G should next focus on succession planning for the Safeguarding Link Governor role and consider a Co-opted Governor with mental health expertise.

9.16 Andy Stone referred to the membership table within the S&G Recommendations paper and highlighted that due to being merger Governors, the terms of office for himself and the Chair were recorded as two years instead of four years. The Board considered and agreed that the terms of office for Andy Stone and the Chair should be the same as external Governors and therefore their terms of office should be amended.

Resolution: The Board agreed to amend the terms of office for Andy Stone and the Chair.

Action: Amend the terms of office for Andy Stone and the Chair.

S&G Minutes

The Board received and noted the S&G Committee minutes from the meeting of 16th February 2023.

10.

Remuneration Committee Recommendations

10.1 The Board received and approved the 'Organisational Key Performance Objectives (KPO) and Key Performance Indicators 2023-2-24' paper which was taken as read. The Board noted that the Remuneration Committee had discussed in detail the seven proposed KPO's and KPI's for the next academic year.

Resolution: The Board approved the KPO's and KPI's for next academic year.

10.2 The Board received and noted the Remuneration Committee minutes from the meeting of 7^h February 2023.

11.

Committee Minutes

11.1 This agenda item was covered within the previous agenda items.

12.

Link Governor Update

12.1 The Health and Safety (H&S) Link Governor provided a verbal update and informed the Board of their regular meetings with the H&S Team which involve a

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campus tour and an update on the team's performance against their KPI's. The Board noted that the numbers of First Aiders across the group remain low.

12.2 The Board received the 'Young Carers' paper which was taken as read. The Safeguarding Link Governor provided an overview of the report produced by the Group Designated Safeguarding Lead. The Safeguarding Link Governor informed the Board that the organisation is hoping to achieve a 'Young Carers in schools' award and emphasised the importance of Governors being aware of how to identify young carers and the support which they require. The aim in the future would be to achieve the silver and gold awards.

12.3 The Board noted that the organisation had identified 140 young carers across the group and the Student Support Teams supported these learners in various way. The Board considered and discussed further support which could be offered, including a Peer Ally Mentorship scheme similar to one offered by a university in London which provides learners with new experiences and helps them continue on to Higher Education. One Governor highlighted that financial support/advice is also very beneficial to this cohort of students. The CEO suggested a pilot of the scheme and for the organisation to work with the new president at St Johns in Oxford who had offered to support.

13. Annual Order of Business 2023/24

13.1 The Board received the proposed 23/24 Annual Order of Business which was taken as read. The Board noted that the document is a 'working document' with flexibility to change to accommodate emerging issues or points which need addressing. Meeting dates may also change to ensure maximum attendance.

Resolution: The Board agree to adopt the Annual Order of Business for 2023/24.

Board

14. Framework for Governance 2023/24

14.1 The Board received the 'Framework for Governance 2023/24' which was taken as read. The Board noted that the document had been reviewed by each of the Sub-Committees and the main changes related to the reclassification. The Board also noted that the framework will be reviewed again after the publication of the new AoC Code of Good Governance.

Resolution: The Board approved the Framework for Governance 2023/24.

Board

15. Any other Business / Dates of the Next Meeting

15.1 The Board noted the date of the next meeting as 17th October 2023.

15.2 The Board received the 'AoC Governor summit feedback' paper which was taken as read. One Governor informed the Board that it was very useful to hear the experiences of other Governors and from attending the event, they had concluded that Activate Learning was in a good position. The Board noted that the slides and presentations had been linked within the paper and that the event runs annually.

15.3 One Governor highlighted that the IoT is not discussed at Board level and felt that the Board should receive updates. The CEO explained that this will be provided as an update from the CreaTech faculty as part of the Board Quality Update report.

15.4 The CEO provided a heartfelt thanks and farewell to Pauline Odulinski and Julia Von Klonowski for their contribution as members of the Board. The CEO also thanked all Governors for their support, quality of debate and challenge.

The main meeting closed and entered a confidential session at 7:21pm.

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Chair Date