

ACTIVATE LEARNING FURTHER EDUCATION CORPORATION CORPORATION BOARD MEETING

Meeting date: **Tuesday 12th December 2023**

Venue: **Reading College, B100**

PRESENT:

Sue Sturgeon
Gary Headland
Cathie Prest
Kathy Slack
Alison Blight
James Voūte
Emma Shipp
Lesha Chetty
David Goosey
Andy Stone
Emma Shipp
Lesha Chetty
Dan Willis

Chair to the Corporation
Chief Executive Officer

Staff Governor

IN ATTENDANCE:

Cheri Ashby
Neil Brooks
Steve Ball
Jon Adams
Paul Newman
Lauren Ward

Deputy Chief Executive Officer
Executive Director of Faculties (North)
Chief Operating Officer
Chief Strategy Officer
Executive Director of Faculties (South)
Governance Officer / Minute taker

CLERK:

Amy Gleeson

Acting Head of Governance / Clerk
to the Corporation

MINUTES

The meeting started at 17:30.

**MINUTE
NO.**

ACTION

RESOLUTION

1. Apologies

1.1 Apologies for absence were received from Dermot Mathias, Malcolm Wicks, Smitha Nair, Natalia Malczewska and Latifah Taha.

1.2 David Goosey joined the meeting virtually.

2. Declarations of interests, gifts, and hospitality.

2.1 There were no declarations of interest, gifts, or hospitality.

**MINUTE
NO.**

**ACTION
RESOLUTION**

3. Minutes of the Meeting on Tuesday 17th October 2023

3.1 The Board approved the minutes of the meeting on Tuesday 17th October 2023 as an accurate record of the meeting, with the correction of a spelling mistake in item 5.6 of the minutes.

4. Matters Arising from the Meeting on Tuesday 17th October 2023

4.1 The Board received an update on the matters arising from the meeting on Tuesday 17th October 2023.

4.2 The Board acknowledged that action 9.11 had been completed, however, the task and finish group was no longer required as, following due diligence, the potential acquisition would not be going ahead.

4.3 The Chief Operating Officer (COO) provided an update on the benchmarking data for teacher salaries and summarised the research that was conducted with the Chief People Officer (CPO).

5. Organisational Objectives and Strategic Risks (Balanced Scorecard)

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

5.2 The Chief Executive Officer (CEO) provided an update on the strategic changes which had been implemented because of the Learner Journey Review. The CEO felt overall the organisation was responding positively to the changes, particularly at the senior level and highlighted the success of the new Group Director positions which were created to provide local leadership. There was still work to be done and the systems, processes and structure would take time to implement. The Board noted that the first Staff Forum meeting had taken place, and specifically feedback from front-line staff on the need for increased organisational clarity. The CEO reported that Group Directors were rising to the challenge in response to the feedback.

5.3 The CEO provided an overview of the progress on student recruitment, and the positive impact of the Day 42 scheme. The CEO reported that the organisation had grown considerably, and this had created additional student behavioural challenges. The CEO highlighted that Reading College was a particular concern due to the changes in provision, a surge in student numbers, the ongoing impact of Covid-related behavioural change, and the retirement of the previous Site Security Liaison Officer. Following a comprehensive review, GET has decided to address these concerns by recruiting additional staff for the Safeguarding Team, increasing the leadership presence on campus, and implementing new security measures from January 2024. The Board noted that the measures would be an unbudgeted spend, however, the organisation would endeavour to cover the cost in-year. The behavioural challenges were a national issue and patterns could be seen across other schools, colleges and universities.

**MINUTE
NO.**

**ACTION
RESOLUTION**

- 5.4 The Board noted that in the next academic year, the organisation would be adding further capacity to the structure by investing into the Faculty Manager role to address some of the challenges identified during the Learner Journey review. In addition, the organisation would continue to focus on staff wellbeing and communication, organisational clarity, and culture.
- 5.5 One Governor referred to the clinical trial that was mentioned in the paper and requested further details on Activate Learning's (AL) approach to mental health and whether counselling services were overwhelmed. The CEO advised that the organisation had professionals within the field, but no clinically trained staff. The Board noted that the volumes of mental and emotional health needs were increasing and GET were taking a layered approach to address the issue which included looking into mental health professionals, such as mental health nurses. AL had also invested £25k alongside NCG to lead a clinical trial of around ten thousand students to test the approach of technology in aiding and improving mental and emotional wellbeing. The trial will be conducted by a company called PsycApps and is being supported by the University College London (UCL) who are underpinning the ethics of the research.
- 5.6 One Governor requested further information on the organisations aim to increase the presence of line managers at Employer Reviews. The Board noted that attendance had been at 12%, it was currently at 25% and needed to be at around 50% to comply with the accountability framework. Paul Newman (PN), Executive Director of Faculties and Colleges (South) and the CEO, provided an overview of the measures that AL had implemented to drive change which included staff training and better servicing of data.
- 5.7 The Chair referred to the student recruitment numbers and queried what the funding conversion would be for the next academic year and how the numbers compared to the demographic. AL was estimating overall student growth of around 7.8% which could be linked to the qualitative improvement of the organisations marketing, more efficient recruitment processes, digital use of technology and the increase in demographic (which accounted for around 3%). The Board noted that the funding for next year should be available in mid-to-late February.
- 5.8 The Board noted that throughout the next four to five years the organisation should experience steady year-on-year growth in student numbers, especially for the core 16-18 provision. The CEO highlighted that analysis was underway to plan for 2030 and that there was strategic space and time to think and rebalance our business model most probably through increased online education.
- 5.9 The Chair queried if the organisation was seeking to secure more in-year funding due to the rising demographic. The CEO advised that the organisation had attended its first termly meeting with the Department for Education (DfE) and that the AOC were also campaigning. The COO advised

that as the in-year growth funding was decided on an annual basis it would not be confirmed until the Spring. The Board noted that if the funding was not confirmed by the February allocation, the organisation would look at the investment fund and identify what was required to get ahead for next year, such as recruiting teachers earlier.

- 5.10 One Governor requested clarification on whether the increased number of students during this academic year had resulted in additional costs. The CEO clarified that there had been no material increase to the cost of delivering to expenditure as the organisation had focused on utilisation including increased class sizes.

6. Learner Journey Update

- 6.1 The Board received the Activate Learning Self-Assessment Report 22/23 & Improvement Plan 23/24 which were taken as read. The DCEO provided an overview of the Self-Assessment Review (SAR) process and expressed thanks to the governors who were involved in the SAR meeting's and the HE Self – Evaluation.
- 6.2 James Voůte (JV) provided a summary of the SAR report and highlighted that the process provided a valuable insight into the key challenges and opportunities within the educational provision and the different dynamics of teaching and learning. Staff who participated in the process were a credit to the organisation and they were engaged, passionate and able to respond to questions confidently. The Board noted that for the first time, Higher Education was included within the quality review which gave a complete view of the organisation's provision, and the involvement of study programme owners provided a great development opportunity for the staff.
- 6.3 JV shared the high-level observations on behalf of the governors who were in attendance. The Board noted that the key themes were quality, consistency, and the potential path to achieving Ofsted outstanding. The consolidation of Ofsted 'Good' was clearly signalled within the review and improvement plan and governors felt that achieving 'outstanding' (targeted for 25/26) was realistic. The meetings included a sharp focus on skills and a review of the organisation's skills contribution and the impact on local and national economies. Governors felt confident that with the improvement plan, all learners would have the opportunity to benefit from personal development and career readiness programmes including work experience and industry placements. Other topics included the organisation's progress with imbedding the Learning Philosophy into the curriculum delivery, closing the attendance gaps, particularly with vulnerable learners and the current and future beliefs for the apprenticeship provision.
- 6.4 All governors who attended the meetings commended the process and the staff participation and expressed their support for the SAR report and improvement plan. One governor highlighted the importance of giving

**MINUTE
NO.**

**ACTION
RESOLUTION**

governors more notice of the SAR meetings as they provide a unique opportunity for governors to get a feel for what is happening within the college.

- 6.5 The Link Governor for Quality of Education provided a summary of the HE Evaluation Report. The Board noted that the HE provision maintained the silver award for TEF. The provision had exceeded a number of targets and achievement rates, and most courses were good with particular strengths identified in Childcare, Furniture design and Digital technologies. There were some areas for improvement which the team were proactively responding to such as support for mental health, more resources, and the overall student experience. HE numbers had declined which was reflected in the finance report. The review did not include students on high level (non- prescribed) courses such as CIPD and accounting or the teacher training provision, but these areas had been captured within the SAR report.
- 6.6 The Board noted that the Further Education and Apprenticeship provision remained solid and had retained a grade 2. The HE provision had been awarded a silver by the Office for Students meaning that the majority of the provision was either good or outstanding.
- 6.7 The DCEO provided an update on the sector and highlighted three key points from the recent Chief Inspector review. The Board noted that the review identified a broken psychological contract with parents post pandemic, where parents were more encouraging of young people to stay at home. To respond to the issue, the organisation had introduced Parent/ Carer webinars and increased communication to rebuild the relationship. The other areas included attendance which was a national issue and the student behaviour and well-being challenges. The Board noted that the organisation was working with charities to upskill staff on supporting with Mental Health.
- 6.8 One governor commented on the red areas for the electrical and construction courses within the student satisfaction surveys. PN highlighted the recruitment challenges and the impact on the student experience. The Board noted that the area was now fully staffed.
- 6.9 One Governor questioned the impact of the closure of the HNC electrical course. The Board noted that the enrolled students would not be affected and that the course was currently closed for applicants whilst the organisation focused on improving the quality.
- 6.10 One governor proposed a future strategic discussion on measuring the impact of transitioning from an Ofsted 'good' to 'outstanding,' including assessing the return on investment. The CEO conveyed to the Board that to attain a sustainable Ofsted 'outstanding' rating, the organisation would be shifting its focus from management to investing in the culture, mindset, and growth of the organisation. The strategic approach was envisioned to lead

the organisation towards becoming extraordinary, ultimately resulting in the desired outcome of achieving an 'outstanding' rating.

7. Finance, Information, Estate and Equipment

- 7.1 The Board received the Management Accounts report which was taken as read and the COO provided an overview of the management accounts for period three (end of October).
- 7.2 The Board noted that taking into consideration the current risks and opportunities which were identified within the report, the organisation was on track to achieve an ESFA Financial health rating of 'good' at circa 200 points.
- 7.3 The Board was reminded of the cash balance trends since 2014, in addition to the benefits from 2019 and the successful trading years in Saudi. The COO reported that there was a balance of £15-20 million on an on-going basis and based on the performance within the first three months, it was estimated that the year would end with £16million in the bank. As this year was an investment budget, it is anticipated that the organisation would reduce its end of year cash balance and there were some known clawbacks during the year.
- 7.4 The Board noted that the first three-months performance indicated that AL was broadly on track to hit the EBITDA and deficit target. The COO highlighted a potential risk to income due to the HE recruitment numbers but advised that this had been offset by the positive 16-18 numbers.
- 7.5 The CEO advised that the organisation was in a strong position for Q1 and credited this to realistic budgeting, greater accountability by top level budget holders and processes in place to scrutinise and understand the budget.

Annual Internal Audit Opinion

- 7.6 The Board received the RSM Internal Audit Report which was taken as read and the COO provided a summary of the report.
- 7.7 The Board noted that the annual opinion from the internal auditors (RSM) was that AL has an adequate and effective framework for risk management, governance, and internal control. RSM had provided some recommendations for improvement which were outlined within the paper but overall, the Board could have confidence in the organisation's framework for internal control.

Going Concern

- 7.8 The Board received the going concern report which was taken as read and the COO provided an overview of the going concern concept and the report.
- 7.9 The COO highlighted that due to COVID, Brexit and various other external pressures, there had been a heightened focus on going concern, particularly in the education sector.

**MINUTE
NO.**

**ACTION
RESOLUTION**

7.10 The Board noted that due to the organisations strong cash balances and student recruitment numbers, the view from the COO, the Audit & Risk Committee, and the external Auditors (Mazars) was that AL was in a prime position to adopt the going concern concept.

Mazars Annual Audit Completion Report

7.11 The Board received the Mazars Annual Audit Completion report which was taken as read and the COO provided a summary of the report.

7.12 The Board noted that Mazars supported AL's approach to managing significant risks and areas of management judgment and the use of the going concern concept. Mazars had identified minimal control recommendations and a small number of un-adjusted misstatements which were well within the materiality threshold. Overall, Mazars would be issuing an unqualified audit opinion.

Financial Statements

7.13 The Board received the Financial Statements which were taken as read.

7.14 The Board noted that the ESFA financial health rating for 22/23 was 'Good'.

7.15 The Board noted that all provisions for pensions and deficits in the LGPS scheme had been released, with £70million being released last year and £20million this year. The balance sheet would no longer show £120 million of assets offset by up to £100 million of pension provisions.

7.16 The COO highlighted that the cost of key management personnel had reduced year on year, as targeted. Staff costs had gone down from £1.5 million to £1.4 million a year. The proportion of total staff cost for the past year was 2.1% and the year before was 2.4%.

7.17 One Governor queried if AL's finances would benchmark highly against others and the COO stated it was difficult to confirm as public data benchmarks were from 2021/22. The Board noted that the organisation currently sat within the top ten college groups by income.

7.18 The Board commended the staff for the current financial position and the positive report from the auditors.

7.19 The Board noted the RSM Internal Audit Report, the Mazars Annual Audit Completion Report, the Annual Internal Opinion, the Going Concern report and the recommendation from the Audit & Risk Committee to sign the Financial Statements.

RESOLUTION: The Board agreed to adopt the going concern concept. All members agreed.

Board

RESOLUTION: The Board approved the Financial Statements for 22/23 for signing by the Chair of the Corporation and CEO. All members agreed.

Board

**MINUTE
NO.**

**ACTION
RESOLUTION**

8 **Annual EDI report 2022-23**

- 8.1 The Board received the Annual Equality, Diversity and Inclusion (EDI) report for 2022/23, which was taken as read. The CEO provided an overview of the report in the absence of the CPO.
- 8.2 One governor highlighted the significant percentage of managers (38%) and staff (53%) that had not declared their ethnicities and queried the completion of diversity training. The CEO noted the question for the Chief People Officer.
- 8.3 The Board considered the report and agreed that the organisation needed to focus its efforts on addressing the disproportionate representation of white teaching staff compared to the student population. The DCEO provided an outline of the organisations Black, Asian and Minority Ethnicity (BAME) scheme and the CEO informed the Board of a piece work which was being conducted by the organisation which involved the use of data science to build a richer story. The Board acknowledged that the lack of diversity amongst teachers could be linked to the recruitment challenges.

RESOLUTION: The Board agreed to endorse the EDI Committee's objectives for 23/24. All members agreed.

Board

9 **Committee updates and recommendations**

Audit & Risk

- 9.1 The Board received the Annual Audit & Risk Committee report and the Annual report on Risk Management which were taken as read. The Link Governor for Compliance, Andy Stone, presented the Audit and Risk Committee recommendations in the absence of the Chair of the Committee.
- 9.2 The Compliance Link Governor confirmed the Committee's support for the RSM Internal Audit opinion, Mazars Annual Audit Report, the Going Concern concept, and the financial statements.
- 9.3 The Board discussed and approved the annual report on Risk Management. In addition, the Board noted the judgement of 'full compliance' with the relevant requirements of the Code of Good Governance for English Colleges, based on the evidence and illustrations within the report.
- 9.4 The Board noted that a copy of the minutes from the Audit & Risk Committee meeting on the 19th June 2023 had been provided for information only.

Search & Governance recommendations and minutes

- 9.5 The Board received the Rockborn External Board Review proposal which was taken as read.
- 9.6 The Chair of the Search and Governance Committee provided a summary of the proposal and reminded the Board of the requirement for colleges to undertake an external board review every three years. The Board noted that the review would likely begin in the spring.

**MINUTE
NO.**

ACTION

RESOLUTION

RESOLUTION: The Board agreed for Rockborn to conduct the organisations External Board Review. All members were agreed.

Board

9.7 The Chair of the Search & Governance Committee presented the Committees recommendation for Natalia Malczewska (Student Governor) to join the Committee as a member.

9.8 The Board noted that a copy of the minutes from the Search & Governance Committee meeting on the 23rd October 2023 had been provided for information only.

RESOLUTION: The Board approved the appointment of Natailia Malczewska to the Search and Governance committee. All members agreed.

Board

10 **Link Governor Updates**

10.1 Kathy Slack (KS), Link Governor for Skills, informed the Board that she would be working with the Chief Strategy Officer (CSO) and the Vice Chair on the organisation's evaluation against the LSIP's which would include considering the data to inform the review. The Board noted that an initial meeting had been arranged for the New Year.

10.2 The Chair shared her positive experience from a recent Safeguarding visit to Merrist Wood which specifically focused on the accommodation blocks. Overall, Student's felt safe and secure and expressed appreciation for the wardens. Suggestions for improvement included the need for additional CCTV and lighting in and around the rural areas of the blocks, larger fridges and prior notification of workman accessing the building. The Board noted that students were concerned about the crossing on Holly Lane and in response, the Chair had written to the Guildford Cabinet Member for Highways, Transport and Economic Growth.

11 **Governance**

Use of the Corporation Seal

11.1 The Board noted the use of the Corporation Seal on Friday 1st December 2023, for the lease agreement between Activate Learning and EM Normandie UK Limited. A link to the lease agreement had been provided within the meeting pack.

Policies for approval

11.2 The Board received nine policies and two statements for approval which were taken as read.

- Admissions Policy
- Annual Anti-Slavery Statement
- Compliments, Comments and Complaints Policy
- Fees Policy
- Quality and Consistency Policy
- Information, Security and Data Protection Policy
- Recruitment Policy
- Safeguarding and Child Protection Policy
- Statement of British Values

**MINUTE
NO.**

**ACTION
RESOLUTION**

- Student Bursary Policy
- Subcontractor Delivery Policy

11.3 The Board discussed introducing a more efficient way for policies to be approved by governors. The Board noted that a new electronic system had been introduced for the GET approval process and that once the system had been fully tested, it could be implemented for governors.

RESOLUTION: The Board approved the policies and statements. All members agreed.

Board

12

AOB and Date of Next Meetings

12.1 The Board noted that the next meeting would take place on Tuesday 13th February 2024 via Microsoft Teams.

12.2 The CEO expressed thanks to the governors and GET for their hard work during the first term.

The meeting closed at 19:10

Chair

S I Surgeon

Date: Monday 4th March 2024

