



ACTIVATE LEARNING FURTHER EDUCATION CORPORATION CORPORATION BOARD MEETING

Meeting date: Tuesday 16th July 2024

Venue: Microsoft Teams

PRESENT:	Sue Sturgeon Alison Blight David Goosey Gary Headland Natalia Malczewska Cathie Prest Kathy Slack Latifah Taha James Voûte Dan Willis	Chair of the Corporation Vice- Chair of the Corporation Chief Executive Officer Student Governor Student Governor Staff Governor
IN ATTENDANCE:	Cheri Ashby Steve Ball Louise Basu Neil Brooks Paul Newman Lauren Ward	Deputy Chief Executive Officer Chief Operating Officer Chief People Officer Executive Director Faculties & Colleges (North) Executive Director Faculties & Colleges (South) Governance Officer / Minute taker
CLERK:	Amy Gleeson	Head of Governance / Clerk to the Corporation

MINUTES

The meeting started at 17.53.

Minute no.		Action / Resolution
1.	Welcome and Apologies	
1.1	Apologies were received from Jon Adams, Leshia Chetty, Smitha Nair, Emma Shipp, and Andy Stone.	
1.2	The Chair of the Corporation expressed her gratitude to the Group Executive Team for organising the recent Activate Appreciation Events across Surrey, Berkshire, and Oxfordshire. The aim of the events was to improve the social and mental wellbeing of staff. She shared that she attended the event at the Merrist Wood Campus, where she had the opportunity to engage with staff, who were positive and highly appreciative of the event.	

2. Declarations of Interests, Gifts, and Hospitality.

2.1 No declarations of gifts, interests, or hospitality were raised.

3. Matters Minutes of the meeting on Tuesday 4th June 2024

3.1 The Board approved the minutes of the meeting on Tuesday 4th June 2024 as an accurate record.

4. Matters arising from the meeting on Tuesday 4th June 2024

4.1 There was one matter arising from the meeting on 4th June 2024. The Chief Operating Officer (COO) was tasked with exploring the possibility of developing a sponsorship with the Rams Rugby Club in Reading. The Board noted that discussions were ongoing with the Lifestyles faculty regarding the future of the current Rugby programme. This matter will be further discussed with the Group Executive Team.

5. Organisational Objectives and Strategic Risks (Balanced Scorecard)

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

5.2 The Chief Executive Officer (CEO) provided an overview of the report and highlighted that it had been a successful year for Activate Learning, with notable improvements in both the quality and volume of provision, despite some challenges with student behaviour and retention. He reported that the organisation is in a strong financial position, with well-managed budgets and a focus on growth investments. Additionally, the Activate Appreciation Events had been a success, and they were organised to show appreciation to the staff and to enhance their social and mental wellbeing.

5.3 The Board recognised the fantastic achievement of Dr Fumiko Pescott who had won the Educator of the Year Award.

5.4 One Governor referred to the Structure and Prospects Appraisal (SPA) for Newbury College and queried if the FE Commissioner had begun conversations with other colleges. The Deputy Chief Executive Officer (DCEO) clarified that it had been mentioned during a termly delivery meeting with the Department for Education who highlighted an expression of interest would be requested from those who are interested in the SPA.

5.5 One Governor highlighted the significant reduction in staff turnover, which was reported as 71%, and commended the organisation for their hard work to achieve this reduction.

5.6 One Governor referred to the risk register and queried what support had been made available for students and staff following the suspected suicide of a student at Bracknell and Wokingham College. The DCEO advised that immediate counselling support was provided by the Samaritans, along with educational psychologist support for teachers.

5.7 The Chair highlighted Staff Survey completion rates and the increase of staff that had completed it in comparison to the previous years. The Board

noted that a summary of the staff survey results would be reported in the Autumn along with other information related to the staff journey.

6. Learner Journey Update

- 6.1 The Board received the Learner Journey Update Paper which was taken as read.
- 6.2 The DCEO presented a PowerPoint presentation to the Board, covering the key highlights from the paper.

Key Achievements.

- 6.3 The DCEO highlighted some of the key achievements from the 2023/24 academic year. The achievements included the creation of the Educational Leadership Team in August 2023, a 9% increase of 16-18 learners, 11% increase in enrolments, and improved attendance.
- 6.4 The Board noted the organisations advancements in Artificial Intelligence (AI), particularly the launch of ALIA, which is Activate Learnings personal AI assistant, available to everyone across the organisation, with the aim to help ease the workloads of teachers. The feedback from teachers has so far been extremely positive, with comments on how helpful ALIA is with finding information, resources, and lesson planning.
- 6.5 The DCEO informed the Board of a recent Matrix assessment, which was conducted by the Department for Education (DfE) to assess the support, information and guidance that Activate Learning offers to students. Activate Learning was successfully awarded the Matrix certification which will be valid until 2027. The Board noted that there is a sector wide focus on vulnerable learners, and accessible support is provided to those learners both onsite and online.

Forecasted achievement.

- 6.6 The Board noted that there has been a marginal improvement (79.7%) in 16-18 achievement rates in comparison to the 2022/23 (78.5%) academic year, however, the organisation will be slightly below national average (81.3%). Apprenticeships continue to have a 58% achievement rate. The new Level 5 Learning and Skills Teacher has an estimated achievement rate of 80%.

HE Survey results.

- 6.7 The DCEO notified the Board that Activate Learning's National Student Survey feedback was released and showed strengths in 7 out of 9 categories, with the strongest section being in Teaching and Learning (95%). She highlighted a particular need to focus on improving IT resources and learning resources, particularly for Furniture students.

Looking ahead to 2024/25.

- 6.8 The Board noted that the recently appointed Curriculum Managers will be coming into effect on the 1st August, to help drive the improvements in the quality of education and to boost the local campus leadership.

- 6.9 There is a forecasted increase of 16–18-year-olds, with an estimated 10,250 students joining Activate Learning across all campuses. There will also be an increase in Online learners.

Discussion.

- 6.10 The Chair queried how much interest had been shown in the teaching support roles. The DCEO advised that recruitment had started early and there have been a number of good quality applicants. She suggested this may be due to an increase in pay from the better pay settlement scheme and Activate Learning's increasingly positive reputation. The Board noted that 67 new teachers have accepted offers for teaching roles starting in September.
- 6.11 The Governors who attended a recent AI event hosted by Activate Learning commended the organisation for a great event, which showcased best practice in AI and the future expectations of how AI can benefit the education sector in the future. The DCEO agreed to arrange an online webinar for Governors to show the further enhancements for Activate Learning's own AI system.

ACTION: Organise an online AI session for Governors.

DCEO/HoG

- 6.12 One Governor requested additional information regarding the low retention rates for online courses and the potential causes. The DCEO explained that the data was still being analysed, but one identified challenge was the requirement for physical exams for GCSE English and Maths students. The organisation is exploring ways to support students, such as providing financial assistance for travel.
- 6.13 One Governor acknowledged the overall positive developments in apprenticeships and requested further details about the monitoring ratios of students and curriculum staff. The Board noted that these ratios are monitored based on class sizes and the pay cost to income ratio, which helps demonstrate efficiency. Additionally, a tracker is in place to monitor the balance between frontline staff and back-office staff.
- 6.14 One Governor queried the consistency of results and whether the quality of provisions was equal across all Activate Learning campuses, and where Governors can offer further support. The DCEO claimed that the Education Leadership Team has created strong levels of consistency across the campuses with the Group Directors working together as a team and taking a more detailed, strategic approach to making improvements. The Board noted that continued support from Governors around Self-Assessment and Improvement Plan (IP) reviews would be greatly appreciated due to individualised areas of concern that can appear within the reviews. Additionally, Governors should continue to challenge on the consistency.

7. Finance, Information, Estate and Equipment

- 7.1 The Board received the Management Accounts paper which was taken as read.
- 7.2 The COO presented a PowerPoint presentation to the Corporation Board, covering the key highlights from his paper.

Management accounts

- 7.3 The COO reminded the Board that the expected financial health for 2023/24 remained to be forecasted as 'Good,' as budgeted. Forecast ratios remained as per budget, with slightly lower cash than in previous years due to an investment year. The higher EBITDA ratio enables identical financial health points as seen in the previous year.

Cash.

- 7.4 The Board noted that cash remained strong and above the sector benchmarking, with the organisation benefitting from drawing grant funding rather than self-funding capital expenditure.

EBITDA & Deficit.

- 7.5 The COO highlighted to the Board that the year had seen a lower variability in EBITDA numbers, underpinned by the conservative budgeting principles. The Board noted that EBITDA continues to forecast in line with budget, with an estimate of £3.4M and a net deficit of £1.5M.

Income.

- 7.6 The COO discussed the organisations income and highlighted that in year growth resulted from funds received by the 16-18 in-year growth funding. He added that variances on other income streams were much lower and consistent through the academic year, and therefore were not as impactful as in previous years.

Investment fund.

- 7.7 The Board noted the important role of the investment fund for this academic year, particularly for driving growth and efficiency for future years. There is a balance left in the budget for the remainder of the year, with plans to use this for additional staff recruitment for the upcoming academic year. While recruitment is ahead of schedule, it is unlikely recruitment will be a significant cost in this year, and therefore a balance may be left over on the investment fund.

Considerations for Full Year.

- 7.8 The COO clarified to the Board that potential variabilities in EBITDA and cash balance towards the end of the year are manageable and should retain the organisation at 'Good' financial health.

2024/25 Budget

- 7.9 The COO introduced the paper for the 2024/25 budget, which was taken as read.

Budget Principles.

- 7.10 The COO reminded the Board of the budget principles which was to form realistic income assumptions, to drive cost effective delivery, enable investment for future growth, while ensuring robust financial health and value for money.

Financial Journey.

- 7.11 The COO presented the Board with a brief overview of the organisation's finances over the last 6 years (2018-24). The Board noted that trends would continue into the 2024-25 year, with further income and EBITDA growth and a reduction in deficit.

Financial health.

- 7.12 The Board noted that the financial health for 2024/25 would remain as good, with solid EBITDA and a cash balance ahead of sector benchmarking and no additional borrowing required.

Cash.

- 7.13 The COO stated that cash would remain strong, however, due to an additional planned investment year, the end of year balance would be reduced. The cash balance would remain above sector benchmarks. The COO reminded the Board of the organisations long-term cash commitments, such as Activate Learning's ESFA loan and the match funding contribution to the redevelopment of Merrist Wood. Funds will continue to be made for capital investment.

EBIDTA & Deficit.

- 7.14 The Board noted that as EDBITA and deficit show a year-on-year increase, the 24/25 year shows a proposed £3.8M of EBITDA, reducing the net deficit to £1.365M and maintaining EDBITA percentage to income at 3.4%. This is due to a significant increase in 16-18 income, driven by student recruitment for the 23/24 year.
- 7.15 The COO reminded the Board that this did not include the funding for the additional 1,200 students joining the organisation in the 24/25 academic year due to the lag funding, however, there is additional in-year funding that is given to colleges that meet certain growth criteria, which Activate Learning plans to meet. The Board noted that £3M of in year growth funding had been included in the budget to cover the additional associated delivery costs. Depending on student numbers, the funding could be circa £4m. The Board noted that this income may not be committed by the DfE until early in 2025.

Pay Cost

- 7.16 The Board noted that the budget includes the staff pay increments.

Divisional Contribution

- 7.17 The COO clarified that contribution from apprenticeships, faculties, and additional income streams had improved, and highlighted their importance in improving EBIDTA and the creation of additional income funding.
- 7.18 The COO summarised for the Board that based on the income assumptions, total income would be above £110M from regular operations and EBIDA is being maintained at 3.4% to income which is driving higher cash. Additionally, the 24/25 academic year would be

another investment funding year with a provisional pay award for staff, and the financial health is proposed as good.

- 7.19 The Chair of the Corporation commented on the risks on page 103 of the report, stating her hopes that the Government supply the in-year growth funding and she supported the reasonable inclusion of this in the in-year budget.
- 7.20 One Governor complimented the COO on the continuation of the 2023/34 investment fund into the 2024/25 year and the agility that it supplies GET to react to developments.
- 7.21 The Board approved the proposed budget for 2024/25 academic year.

RESOLUTION: The Corporation Board approved the proposed budget for the 2024/25 academic year.

Board.

8. Committee Updates and Recommendations

Audit and Risk Committee Update

- 8.1 The Board received the Audit and Risk Committee Recommendations paper which was taken as read. The paper included the RSM Internal Audit Strategy for 2024/25, and Forvis Mazars Audit strategy memorandum for the year ending 31st July 2024.
- 8.2 In the absence of the Chair of the Audit and Risk Committee, Alison Blight (AB) shared a summary of the Audit and Risk Committee meeting on the 17th June 2024.
- 8.3 The Board noted that the Committee had considered the current Subcontracting arrangements and the Subcontracting partners for 2024/25 and any risks. A notable risk was with the quality of the service provided by the Oxfordshire Employment Service (OES); however, there is evidence that improvements have been made following the creation of an action plan and new points of contact.
- 8.4 The Board noted that the Committee had discussed the new risks which have been added to the strategic risk register which were campus emergency lighting and Student Accommodation. The Board noted that these risks will be removed throughout the academic year when the issues are resolved.
- 8.5 The Board noted that the Committee had considered and agreed to recommend to the Corporation Board the approval of the internal audit strategy from RSM for 2024/25 and the External Audit Strategy for the year ending 31st July 2024 from Forvis Mazars.

RESOLUTION: The Board approved the Internal Audit Strategy for 2024/25 from RSM.

Board.

RESOLUTION: The Board approved the External Audit Strategy for Year End 31st July 2024 from Forvis Mazars.

Board.

- 8.6 The Committee reviewed and agreed to recommend the approval of the annual revision of the Financial Regulations for the 2024/25 academic year. The COO highlighted that the updated financial regulations have

embedded the requirements of Managing Public Money following the reclassification of colleges into the public sector, whereas they were previously in a separate section. The Board approved the Financial Regulations for the 2024/25 academic year.

RESOLUTION: The Board approved the Financial Regulations the 2024/25 academic year.

Board.

Search and Governance Committee Update

8.7 The Head of Governance provided an update on the Governor recruitment. The Board noted that nine applications had been received. The interview panel was the Chair of the Corporation Board, Chair of Search and Governance and the CEO. Shortlisting was scheduled for 17th July, with interviews due to take place on 22nd July. To enable the new Governors to be recruited and inducted in time for the new academic year, a written recommendation will be sent to Governors.

9. Link Governor Updates

9.1 Kathy Slack (KS) extended her thanks to the Governors for their feedback and comments from the June Corporation Board meeting regarding the Accountability Statement. The Board noted that the draft was amended based on the feedback and the final version has been signed.

9.2 KS informed the Board that she was due to meet with an assessor as part of the Matrix Assessment which was conducted by the Department for Education. Although, she was unable to attend due to being unwell, she commended the hard work and efforts of staff in preparation for the assessment.

9.3 Cathie Prest informed the Board that as part of her role as the Link Governor for Quality of Education, she had met with five apprentices who had completed the initial teacher training. The Board noted that all students were complimentary of the course and had successfully entered employment.

10. Governance

Corporation Seal.

10.1 The Board noted there had been no uses of the Corporation Seal.

10.2 The Board noted that the following contracts had been signed by the Chair of the Corporation Board:

- CAPEX Contract
- Merrist Wood New Build Contract
- Energy Agreements for Gas and Electricity

10.3 The Board received and approved the following policies:

- Assessment and Verification Policy
- Equality and Diversity Policy
- Financial Regulations
- IT Acceptable Use Policy
- Safeguarding and Child Protection Policy

- Student Bursary Policy
- Student Positive Behaviour Management Policy
- Workplace Standards Policy

RESOLUTION: The Board approved the eight policies as presented.

Board.

Policy Approval Schedule.

10.4 The Board received and approved the Policy Approval schedule for 2024/25.

Board.

RESOLUTION: The Board approved the Policy Approval Schedule for 2024/25.

Schedule of Business.

10.5 The Board received the proposed Schedule of Business for 2024/25 which was taken as read.

10.6 The HoG advised the Board that the proposed schedule had been reviewed by each of the committees. The Board noted that the dates for the Quality & Relevance Committee were tentative, and the outline agendas will be developed over the summer and confirmed at the inaugural meeting of the committee which has been scheduled for October.

10.7 The Board noted that the main changes from the previous year include scheduling the committee meetings online and at the end of the working day. These adjustments were made in response to feedback from Governors to improve attendance and to support the organisation's sustainability efforts. The Board also acknowledged that the Search & Governance Committee may recommend further changes to the schedule, particularly regarding the number of Corporation meetings, after they have reviewed the findings from the External Governance Review.

10.8 The Board approved the Schedule of Business for 2024/25.

RESOLUTION: The Board approved the Schedule of Business for 2024/25.

Board.

11. AOB and Date of Next Meetings

11.1 The CEO expressed gratitude to the Board for a successful year and for their active participation not only in Board meetings but also in other organisational events throughout the year.

11.2 The Board recorded a vote of thanks to the Student Governors, Natalia Malczewska and Latifah Taha who have completed their terms of office. The Board expressed their appreciation for the contributions of the Student Governors and wished them success in their future careers.

The meeting closed at 19.17.

Chair

S | Surgeon

Date 22nd October 2024



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