



# ACTIVATE LEARNING FURTHER EDUCATION CORPORATION CORPORATION BOARD MEETING

**Meeting date:** Tuesday 10<sup>th</sup> December 2024

**Venue:** B100, Reading Campus

**PRESENT:**

Sue Sturgeon  
David Goosey  
Gary Headland  
Alison Blight  
Leshia Chetty  
Katharine Horler  
Smitha Nair  
Justin Obee  
Cathie Prest  
Emma Shipp  
Kathy Slack  
Andy Stone  
James Voûte  
Dan Willis

Chair of the Corporation  
Vice Chair of the Corporation  
Chief Executive Officer

Staff Governor

**IN ATTENDANCE:**

Jon Adams  
Cheri Ashby  
Steve Ball  
Louise Basu  
Neil Brooks  
Paul Newman  
Pete Reynolds  
Nate Rowe

Chief Strategy Officer  
Deputy Chief Executive Officer  
Chief Operating Officer  
Chief People Officer  
Executive Director Faculties & Colleges (North)  
Executive Director Faculties & Colleges (South)  
Chief Marketing Officer  
Governance Officer/ Minute Taker

**GOVERNANCE  
PROFESSIONAL:**

Amy Gleeson  
Head of Governance

## MINUTES

The meeting started at 17:55.

Minute no.		Action / Resolution
1.	<b>Apologies for Absence.</b>	
1.1	Apologies for absence were received from Tadhg Nicoll-Webb.	

## 2. Declarations of Interests, Gifts, and Hospitality.

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

## 3. Minutes of the meeting on Tuesday 22<sup>nd</sup> October 2024.

3.1 The Board approved the minutes of the meeting on Tuesday 22<sup>nd</sup> October 2024 as an accurate record.

## 4. Matters arising from the meeting on Tuesday 22<sup>nd</sup> October 2024

4.1 The Board noted that there was one outstanding action from the previous meeting which was for governors to learn more about the Positive Behaviour Management Framework. The Board discussed the timing of the session and agreed that it should be held via Teams before the Corporation meeting on 11<sup>th</sup> February 2025.

**ACTION: Arrange a session for governors to learn more about the Positive Behaviour Management Framework with the Group Director of Student Experience and Safeguarding before the Board meeting on 11<sup>th</sup> February 2025.**

HoG

## 5. Organisational Objectives and Strategic Risks (CEO Report)

5.1 The Board received the *CEO Report* which was taken as read and the CEO provided an overview.

5.2 The Board acknowledged the outcome of the Ofsted inspection of the Residential Accommodation at Merrist Wood and Harcourt Hill. Activate Learning received a 'Good' rating, pending Ofsted's internal quality review and the finalisation of the report. Three areas for improvement were identified: staff verification checks, ensuring consistency in the frequency of individual staff support sessions; and improving the appearance and homeliness of the communal areas accessed by residential students.

5.3 The Board noted that the Group Executive Team were currently evaluating a range of options in relation to the future of the Activate Rugby Academy, which might need to be presented to the Corporation Board because of the potential for reputational damage to Activate Learning.

5.4 The Board was informed that there is a slight difference between the target in the organisational and the budget in relation to apprenticeships income, the latter being the higher sum. The CEO commented that there were two organisational objectives in relation to apprenticeships, one related to quality, and the other related to income. While every effort was being made to achieve both objectives, continuing to improve the quality of the apprenticeships provisions was the highest priority.

5.5 The CEO informed the Board that Cyber Security continues to be a high-risk area for the organisation, with the IT team maintaining a strong focus on it. GET would be conducting a deep dive into this area and Governors were invited to participate if they wished.

- 5.6 The Board acknowledged that the criminal investigation involving a former learner at Merrist Wood had concluded. The CEO provided an update on the outcome. The DCEO highlighted the support provided to the affected students and upcoming training for all staff. She also thanked the Link Governor for Safeguarding and Residential Accommodation for her support and note to the staff. One Governor raised concerns about the increasing number of criminal investigations on the Risk Register, questioning whether this was due to changes in reporting practices or an actual rise in incidents. The CEO attributed it to both factors, noting the organisation's growth by 2,000 learners over two years and societal changes, including post-COVID-19 behavioural challenges and rising mental health issues. The DCEO echoed this view and highlighted the significant increase in learners with EHCPs as a contributing factor. The Board noted that staffing resources dedicated to behaviour, wellbeing, and safeguarding had been increased and an External Safeguarding Review is underway, with recommendations expected in the New Year.
- 5.7 The CEO informed the Board that an additional risk would be added to the Risk Register, concerning high-needs learners. This risk will focus on ensuring the organisation secures sufficient funding and has an adequate number of Learning Support Assistants in place to support these learners.
- 5.8 One Governor inquired about the number of students who had exited the organisation within the 42-day period. The CEO explained that the dropout rates include a significant number of learners who enrolled at Activate Learning but never actually attended. The Chief Marketing Officer (CMO) confirmed that approximately 1,000 learners enrol with Activate Learning each year but do not attend, as it is often considered a second option. He informed the Board that 570 learners attended but withdrew within 42 days, compared to 541 the previous year.
- 5.9 The Board discussed engagement with MPs to advocate for the organisation. The CEO reported positive progress, including a visit by Zöe Franklin, MP, to the Guildford campus, which was also attended by the Chair. With many MPs newly elected, efforts are focused on building relationships, with most having visited their local campuses. These connections will be leveraged as opportunities arise.
- 5.10 One Governor referred to the Self-Assessment Review, which highlighted historical quality issues within Construction and Engineering apprenticeships. He asked how deeply these issues were embedded and what assurance could be provided to the Board. The Executive Director for Faculties and Colleges (South) confirmed that the issues were deep-rooted but explained that significant investment in staffing had been made to address the quality concerns. The Construction and Engineering provision had been moved from Activate Enterprise to faculty to prevent resource duplication and to maintain consistency and quality. The focus is shifting towards increasing both quantity and relevance, without compromising on quality. The Executive Director for Faculties and Colleges (North) assured the Board that there is a clear upward trajectory for this provision. The DCEO explained that Engineering apprenticeships were discontinued to address the ongoing quality issues. The team has since rebuilt the programme from the ground up to help address the challenges that persist from as far back as eight years ago.

## **6. Finance, Information, Estate and Equipment.**

- 6.1 The Board received the *Finance, Information, Estate and Equipment* paper which was taken as read.

#### *2024/25 Management Accounts*

- 6.2 The Chief Operating Officer (COO) presented an overview of the Management Accounts for 2024/25. The Board noted that a full financial forecast could not be accurately completed at this stage of the year.
- 6.3 The COO highlighted that there is some risk to income, particularly for apprenticeship and HE. Despite this, he anticipated the organisation's financial health will remain rated as 'Good' even in the worst-case risk adjustment, due to low borrowing and a growing EBITDA. While a full-year forecast has yet to be completed, he noted that if identified risks are not mitigated, the organisation's financial health could decline to 190 points. He reassured the Board that mitigations for these risks are being sought.
- 6.4 The COO reported that the organisation's cash position remains on target, with the potential impact of identified risks estimated at reductions of between £600,000 and £700,000. He confirmed that the cash balance trajectory continues to align with the budget.
- 6.5 The Board acknowledged shortfalls in the three-month Year-to-Date profit and loss performance, particularly in Apprenticeship and HE student recruitment. The COO explained that staffing cost savings had been achieved due to delayed recruitment and the phased implementation of the 5% cost-of-living pay award. These variances will be reflected in the Period 4 Accounts. He also noted non-pay overspends in exams and marketing, attributed to phasing. While HE recruitment had declined, income risks were partially offset by increased subcontracting within the Lifestyles faculty.
- 6.6 The COO reminded the Board that the organisation's overall budget was a net deficit.
- 6.7 The COO reported that several income risks identified in the Period 3 accounts are under discussion by GET and will be mitigated. He reiterated ongoing concerns regarding HE and Apprenticeship income and highlighted a potential risk related to T-Level recruitment, which is not yet reflected in the Year-to-Date accounts. The Department for Education's (DfE) funding model assumes full student retention from the previous year, but with the organisation's retention rate at 73%, this has led to a funding clawback.
- 6.8 The Board noted an overspend in Group Learning Support. The COO explained this resulted from an increase in learners requiring support but noted that additional High Needs income might be available to help offset costs.
- 6.9 The Board acknowledged risks associated with outstanding High Needs income payments, particularly from Reading County Council. With nine months of the council financial year elapsed, efforts to expedite collections have intensified. A Governor queried whether this posed solvency risks, but the COO assured the Board that while payment delays were an issue, there were no solvency concerns.

- 6.10 One Governor raised concerns about financial performance falling behind targets, particularly given rising costs. They questioned whether this was linked to the risks around HE, apprenticeships, and Activate Enterprise's commercial activities, and asked about mitigation strategies and potential opportunities. The COO stressed the importance of presenting risk scenarios rather than focusing too optimistically on opportunities. However, the CMO had led a deep dive into apprenticeships with the Group Executive Team, exploring measures such as increased external employer engagement. A Governor suggested a cost-benefit analysis be shared to outline how the gap and additional costs would be managed over the year.
- 6.11 One Governor asked about the risk of not receiving growth funding, particularly given recent Government changes. The COO stated that while in-year growth funding is still expected, it remains uncertain until officially allocated and paid. However, he reassured the Board that this risk is relatively minor.
- 6.12 One Governor queried whether the National Insurance increase had been factored into the budget. The COO explained that it was announced after the budget was finalised but noted that the organisation is likely to receive reimbursement. The concern lies in the reimbursement methodology, which may not fully cover actual costs.
- 6.13 One Governor asked about the commitment level of the £1.85 million investment fund. The COO reported that the team are currently reviewing classification and estimates for fund expenditure, as initial analysis highlighted some inconsistencies. He estimated that around £1.1 million has been committed to date, with scope to manage this by slowing down expenditure should this be required.
- 6.14 One Governor raised a query about the organisation's focus on remaining cash generative, particularly given the forecasted deficit. The COO explained that "cash generative" relates to EBITDA, reflecting operational performance by comparing income to costs. While depreciation is factored in, the deficit arises because investments are being made faster than cash is received. He stressed that maintaining cash generation is crucial and clarified that the aim is to add to reserves before further investment.
- 6.15 The COO summarised the findings of the annual internal audit report, presented to the Audit and Risk Committee. The internal auditors confirmed that the organisation has an appropriate, adequate, and effective internal control framework. He emphasised that this provides essential assurance to Governors, particularly when approving the financial statements.
- 6.16 The COO reminded the Board of its responsibility to assess whether the financial statements should adopt the going concern principle. He noted that the Audit and Risk Committee had already approved this approach. The Board recognised the organisation's strong learner recruitment, which would lead to increased lag funding in the following year. The COO expressed confidence in the organisation's ability to operate for at least the next two years, a view endorsed by the Audit and Risk Committee. The Board formally approved the Going Concern principle, which will now be submitted to Mazars, the External Auditors, for final approval.



**RESOLUTION: The Board agreed to approve the 'Going Concern' approach.**

- 6.17 The COO updated the Board on the External Audit Opinion, explaining that Mazars had reviewed the financial statements and transactions. He noted that Mazars supported the organisation's management judgments, including its assessment of going concern. There were minimal recommendations regarding internal controls, and unadjusted misstatements remained well within the materiality threshold. Mazars intends to issue an unqualified audit report.
- 6.18 The COO presented the organisation's financial statements for Board approval, granting authority for the CEO and Chair of the Corporation Board to sign them. The Board was required to consider the internal audit opinion, going concern assessment, external audit opinion, confirmation of 'Good' financial health, and the Audit and Risk Committee's approval.
- 6.19 The COO confirmed that the reviewed financial statements for Activate Learning also encompass Activate Enterprise Ltd., Activate Investments Ltd., and all other subsidiaries. Performance reporting through management accounts includes all subsidiaries.
- 6.20 The COO explained that the Financial Statements follow a standard format set by the Association of Colleges (AoC) and sector-wide reporting practices. Apart from specific terminology reflecting the organisation's Learning Philosophy, the format and wording remain largely predetermined.
- 6.21 The Board acknowledged that the financial statements were being approved at this meeting to meet the organisation's submission deadline of 31st December, alongside the Mazars report and the annual risk management report.
- 6.22 A Governor raised concerns about the internal report's partial assurance on capital project management, particularly contractor oversight, and asked about mitigation measures. The COO explained that an action plan had been developed and reviewed by the Audit and Risk Committee. He noted that some recommendations from RSM were difficult to interpret, as certain sampled projects were either beyond the organisation's control or did not proceed. The recommendations primarily aimed to enhance transparency, ensure the use of milestones and KPI checks, and secure full access to project documentation when engaging third-party management. The Board agreed that the COO would investigate specific projects where procedures were not properly followed and report back to the Audit and Risk Committee.
- 6.23 The Chair asked the Board whether they approved the financial statements and recommended that they be signed by the CEO and the Chair of the Corporation. All Governors gave their approval.

**RESOLUTION: The Board approved the financial statements and recommended its signing by the CEO and Chair of the Corporation.**

## 7. Committee updates and recommendations.

### *Audit and Risk Committee*

- 7.1 The Board received the *Audit and Risk Committee Updates and Recommendations paper* which was taken as read.
- 7.2 Andy Stone (AS), Chair of the Audit and Risk Committee, provided an update on the Audit and Risk Committee Meeting. He explained that the meeting began with a confidential session with both the internal and external auditors, which ensured a positive working relationship between staff. The partial assurance on Capital Projects was discussed, with an investigation into the issues and the best approaches for managing them. He informed the Board that the Committee had noted the Amber/Green rating from RSM, the internal auditors, which is typical in most Colleges.
- 7.3 AS informed the Board that an Annual Report on Risk Management had been presented to the Committee and required the Board's approval. He explained that the organisation was obligated to implement the full risk management strategy to comply with the requirements of the Code of Good Governance and make a statement of compliance in the annual financial statements. The Board noted that the organisation had established a risk register, which is reviewed regularly. The Board approved the Annual Report on Risk Management.

### **RESOLUTION: The Board approved the Annual Report on Risk Management.**

- 7.4 AS provided an overview of the Audit and Risk Committee Annual Report, which required the Board's approval. He explained that the report covers the Committee's work from 1st August 2023 to 31st July 2024. RSM served as the organisation's Internal Auditors for 2023/24, conducting seven assignments, one of which was judged as 'Partial Assurance.' The Board approved the Audit and Risk Committee Annual Report.

### **RESOLUTION: The Board approved the Audit and Risk Committee Annual Report.**

### *Quality and Relevance Committee*

- 7.5 The Board received the *Quality and Relevance Committee Updates and Recommendations paper* which was taken as read.
- 7.6 Cathie Prest (CP), the Chair of the Quality and Relevance Committee shared that the committee had its first full meeting following the inaugural meeting in October. She expressed gratitude to the members of the Group Executive Team for their presented papers and highlighted that the

new coversheets created for the committee were effective in drawing attention to key information and risks.

- 7.7 CP informed the Board that the meeting was primarily focused on the group Self-Assessment Report (SAR) for 2023/24 and reminded the Board that there is no set template for this; each College can approach it in the way they feel is best. However, Activate Learning follows the inspection framework, which proves helpful for the organisation.
- 7.8 CP explained that the key objective is for the Board to be confident that the process of compiling the SAR is clear. She assured the Board that this had been a thorough process, with the proposed judgement grades being accurate.
- 7.9 The Board acknowledged the challenges regarding the grading of apprenticeships, particularly within Higher Education (HE), noting that it was largely data-driven and lacked the level of evaluative analysis that might have been beneficial. While there was a focus on student feedback, this had not been thoroughly evaluated. CP clarified that the proposed grade of 2 was accurate and had undergone validation.
- 7.10 CP discussed that the organisation underwent the SAR validation shortly after the Committee Meeting, which saw strong attendance from managers, reflecting their commitment. A grade 2, indicating "good," was awarded across all areas of the validation, including safeguarding, which was also graded as good but could potentially be rated outstanding, pending an ongoing external safeguarding review. She further explained that there was strong evidence of skills in employer engagement at all levels of the organisation, including how the curriculum is developed using feedback from employers.
- 7.11 CP informed the Board that the quality of education was rated as good, with numerous examples of good practice. However, she noted that there could have been more detailed information provided regarding Teaching, Learning, and Assessment (TLA). She explained that the student voice was not as strong as it could have been but emphasised that it is an area of focus for the coming year, with plans for a more in-depth evaluation.
- 7.12 CP discussed the improvements within the organisation, including A-Level achievements, work experience opportunities, and GCSE Maths and English resits. There had been outstanding achievements within the CreaTech faculty, along with T-Level performance currently exceeding the national average. However, AS-Level results were considered disappointing, and there were some inconsistencies in civic duty and volunteering. Internal progression was identified as a key area for focus.



- 7.13 The Board noted that although leadership and management were rated as good, it was acknowledged that Governance was missing from the strengths. CP informed the Board that the Quality Improvement Plan (QIP) had been discussed. While many actions were useful, some lacked clarity, making it difficult to understand their intended outcomes.
- 7.14 CP explained that a review of the academic year had been undertaken, and a one-page data sheet was produced, which was RAG-rated. This allowed Governors to easily access the data for the different areas of provision within the organisation.
- 7.15 The Board acknowledged the annual safeguarding report presented at the meeting, to which the Link Governor for Safeguarding and Residential Accommodation contributed, based on her work with the Safeguarding Committee. The Link Governor emphasised the importance of discussing safeguarding within the Quality and Relevance Committee.
- 7.16 CP discussed the in-year update on quality improvements, expressing her satisfaction with the progress made. Additionally, a report on relevance was presented by the Chief Strategy Officer (CSO), highlighting the current activities within the organisation in relation to the performance objectives that had been set.
- 7.17 The Chair asked the Board to approve the Group Self-Assessment Report and Improvement Plan, as well as the Higher Education Self-Evaluation and Improvement Plan. All members agreed.

**RESOLUTION: The Board approved the Group Self-Assessment Report and Improvement Plan, as well as the Higher Education Self-Evaluation and Improvement Plan.**

## **8. Annual EDI Report 2023-24.**

- 8.1 The Board received the *Annual EDI Report 2023-24* which was taken as read.
- 8.2 The Chief People Officer (CPO) presented the report and highlighted the work of the Equality, Diversity, and Inclusion (EDI) Committee, outlining the objectives set at the start of the 2023/24 academic year and the progress made toward achieving them. She clarified that the gender pay gap report is lagged, as it is due for submission in March each year. The Board acknowledged that the report detailed the objectives set for the current academic year, which will be further reported on later in the year.
- 8.3 One Governor commended the report, expressing appreciation for the extensive achievement data presented. She highlighted that 18% of learners' destinations were unknown upon their exit from the organisation, noting this figure as concerning and suggesting it could be investigated further.

- 8.4 The Chair requested the Board's endorsement of the EDI Committee objectives for the 2024/25 academic year. All Governors agreed.

**RESOLUTION: The Board endorsed the EDI Committee objectives for the 2024/25 academic year.**

## 9. Strategy Update.

- 9.1 The CSO provided an overview of the strategy update, thanking all Governors who participated in the strategy session. He explained that the strategic plan is being developed in reverse, aiming for a draft plan to be presented at the next strategy session in May 2025.
- 9.2 The CSO reminded the Board that he is currently meeting regularly with a group of Governors to dedicate more time to ensuring detailed progress is made.
- 9.3 The Board acknowledged that the next stage of the strategic plan involves focusing on the lines of enquiry. Similar to the strategy, these need to be developed with more detailed objectives, and working groups will be established. The CSO invited Governors to act as 'critical friends' to support this process, explaining that the commitment would involve a small number of sessions, with a significant amount of benefit derived from the Governors' expertise.

## 10. Governor Activities - Updates and Insights.

- 10.1 One Governor provided an update on the AOC conference, which several Governors attended in November. She explained that it was an excellent event, with all sessions being very enjoyable, as well as offering a number of networking opportunities. She highlighted that Activate Learning is well-known within the sector, noting that the organisation is in a very good position. She found it reassuring that many other organisations are facing similar challenges to Activate Learning, particularly around student behaviour and staff retention. She suggested that the organisation could have a larger presence at future events and encouraged Governors to attend.
- 10.2 The Link Governor for Safeguarding and Residential Accommodation informed the Board that she had visited Banbury and Bicester College to meet with the Group Director of Student Experience and Safeguarding for an introduction to safeguarding. She highlighted that she observed a lockdown practice and participated in the management debrief, commending the openness of the managers regarding potential improvements. She mentioned also having a brief conversation with the Executive Director for Faculties and Colleges (South) via a virtual meeting and in the strategy session concerning the student survey, which indicated dissatisfaction within the trades sector of the organisation.
- 10.3 One Governor raised a question about the financial challenges Guildford College is currently facing, suggesting that there might be an opportunity to renegotiate the site and its location. The CSO explained that while no formal plan has been developed yet, there are some sites that the organisation is considering. He proposed having further discussions on

the matter. The Chair agreed that it would be worthwhile to begin a review of the estate.

- 10.4 One Governor suggested that the Link Governor for Safeguarding and Residential Accommodation should sit on the Health and Safety Committee, as safeguarding is often discussed during these meetings.

## 11. Governance

- 11.1 The Board received the *Governance Update paper* which was taken as read.

### *Corporation Seal.*

- 11.2 The Board noted that the Corporation seal had not been used.

### *Contracts.*

- 11.3 In accordance with the Framework for Governance, the Board received a copy of the following contracts which had been signed by the Chair due to exceeding £200k in value:

- Local Skills Improvement Fund (LSIF).
- Microsoft License Renewal 2024-25.

### *Policy Approval Schedule.*

- 11.4 The following policies were presented and approved by the Board:

- Admissions Policy
- Subcontractor Delivery Policy

**RESOLUTION: The Board approved the Admissions Policy and Subcontractor Delivery Policy.**

## 12. AOB and Date of Next Meetings

- 12.1 The Board provided feedback on the size of the meeting book. It was agreed that a discussion with Governors would be beneficial to explore improvements, particularly by enhancing the coversheets.
- 12.2 The Chair reminded the Board that the next Corporation meeting will take place on Tuesday 11<sup>th</sup> February 2025 via Microsoft Teams.

**The meeting closed at 19:20.**

S J Surgeon

Chair .....Date ..... 11th February 2025