

LEEDS COLLEGE OF BUILDING

CORPORATION MEETING

Minutes of the meeting held on Tuesday 14 July 2020 at 3.45 pm via Microsoft Teams.

PRESENT:

Julia Evans (Chair)
Simon Bray
Rachel Lindley
Caroline Meehan
Peter Norris
Derek Packer
Mark Roper
Professor Dave Russell
Mark Scott
Melanie Tyson
Derek Whitehead
Jackie Wignall

IN ATTENDANCE:

David Pullein (Vice Principal – Finance & Resources)
Nikki Davis (Vice Principal – Teaching, Learning & Quality)
Craig Williams (Clerk to the Corporation)
Nancy Fearnside (PA - minutes)

**ACTION
BY AND
TARGET DATE**

1. CHAIR'S AND GOVERNORS' COMMUNICATIONS

The Chair welcomed everyone to the meeting.

2. APOLOGIES FOR ABSENCE

Apologies for absence were received from Andrew Kenny and Sarah Wilson. D Whitehead gave a brief update on Mike Berry's condition following his accident.

3. DETERMINATION OF ATTENDEES / OBSERVERS

The Corporation agreed attendees / observers at the meeting as per the attendance list.

4. DECLARATION OF INTEREST

There were no declarations of interest.

5. MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting held on 21 January 2020 were approved as a true record. The notes of 25 February 2020, 24 March 2020, 28 April 2020, and 2 June 2020 were agreed as a true record.

The Chair thanked D Whitehead / P Norris for the weekly catch up meetings during lockdown and hoped that Governors felt the notes circulated from these meetings by D Whitehead were informative.

6. MATTERS ARISING

21 January 2020

6.1 Ref Min 6.1

Actioned.

6.2 Ref Min 6

Actioned.

6.3 Ref Min 7

Actioned.

6.4 Ref Min 9

Actioned.

6.5 Ref Min 14

A review of I&A with Eversheds is scheduled for summer 2020 and presentation to be arranged thereafter.

6.6 Ref Min 15

Actioned.

6.7 Ref Min 10

D Whitehead reported that the novation of ATL's contract has now been signed.

25 February 2020

6.8 Ref Min 5

Actioned.

6.9 Ref Min 7

Taken under Item 15.

6.10 Ref Min 8

Taken under Item 15.

6.11 Ref Min 9

Taken under Item 15.

6.12 Ref Min 9

Taken under Item 16.

24 March 2020

6.13 Ref Min Pg.1

Taken under Item 16.

6.14 Ref Min Pg.2

Actioned.

6.15 Ref Min Pg.2

Completed and risk register continues to be regularly updated and on Audit / Board agendas (14.07.20).

6.16 Ref Min Pg.3

Actioned.

6. MATTERS ARISING (continued)

6.17 Ref Min Pg.3

Taken under Item 16.

6.18 Ref Min Pg.3

Taken under Item 16.

6.19 Ref Min Pg.3

Complete – message from the Chair emailed 30 March 2020.

28 April 2020

6.20 Ref Min Pg.1

Actioned.

6.21 Ref Min Pg.3

Actioned and decided not to pursue. Staff to follow PHE and DfE guidance.

6.22 Ref Min Pg.3

Actioned and discussed with J Evans / P Norris at catch up meetings. Notes and plan shared with all Board members.

6.23 Ref Min Pg.3

Actioned.

6.24 Ref Min Pg.3

Actioned.

6.25 Ref Min Pg.4

Actioned.

6.26 Ref Min Pg.4

Actioned.

6.27 Ref Min Pg.4

Actioned and recirculated to Board.

6.28 Ref Min Pg.4

Actioned.

6.29 Ref Min Pg.4

Actioned.

6.30 Ref Min Pg.5

Actioned.

2 June 2020

6.31 Ref Min Pg.2

Discussed regularly with Chair and Vice Chair; Chair signed off under Chair's Action.

6. MATTERS ARISING (continued)

6.32 Ref Min Pg.3

D Pullein had checked the College's liability insurance provision. D Whitehead reported the Health & Safety Policy covers generic responsibilities of all and states individual Risk Assessments to be carried out for significant occurrences which is covered within the COVID Secure Risk Assessment. It was agreed to let the new Health & Safety Officer (temporary maternity cover) look at this when he started at College, which he subsequently did and happy that the current policy covers the COVID situation.

6.33 Ref Min Pg.3

D Whitehead had discussed this with D Pullein and D Pullein then discussed with ICCA. Report on Audit Committee 14.7.20.

6.34 Ref Min Pg.4

Amendments made. Register reviewed following discussions with IT Manager and updated as appropriate.

6.35 Ref Min Pg.5

Examples from the Chair were helpful – they were discussed with N Davis and it was felt that the work involved would not be of value to the outcome and not progressed.

7. FINANCIAL PLAN 2020/21 – 2021/22

D Pullein presented Item 7 (Financial Plan 2020/21 – 2021/22). He noted that the IFMC (Integrated Financial Model for College) had been submitted in February 2020 as required by the ESFA (Education & Skills Funding Agency) and would replace the previous 2-year financial plan (July) and finance record (December). The College decided to continue with the normal planning cycle and produce a revised budget for approval by the Corporation in July 2020. He stated that the ESFA have now insisted on another IFMC return.

Three versions of the budget have been prepared. Version 1 was the original budget pre COVID-19; Version 2 factored in a reduction in continuing Apprenticeships of 10% and 30% new starts; Version 3 factored in a reduction of 15% and 40%.

D Pullein noted that 16-18 recruitment is still very strong and there could be greater demands on AEB due to redundancies. The real risk for the College is Apprenticeship recruitment. Version 2 included non-staff savings and should get the College to where it wants to be. Version 3 is the worst-case scenario and would require £1m of staff savings.

M Roper noted the estimates made on potential reductions and asked if this had been sense tested in the market. D Whitehead stated that the College has had to make numerous assumptions, taking into account CITB forecasts, intelligence from industry bodies etc. To date half the numbers in the plan have been achieved and close monitoring is taking place.

M Scott noted that the Government are pushing Apprenticeships and asked if any income / incentives from the Government have been factored in. D Pullein stated that this was a moving feast but did not feel that the incentives are going to help employers. He had suggested to the AoC / ESFA that normal allocations were made to colleges, which would be a simple solution.

7. FINANCIAL PLAN 2020/21 – 2021/22 (continued)

D Pullein stated that the 16-18 target was 930 for next year. Current enrolments, with continuers, could potentially reach 1,100. This was good in some sense but due to lagged funding any increased numbers would not be funded until the following year.

M Scott queried the situation regarding T Levels; N Davis stated that the College was not approved to run these until September 2022 and therefore were not included in the budget.

The target for co-funded Apprenticeships next year was 1,140. D Pullein noted that a question had been raised regarding the 10% reduction in continuers and 30% reduction in new starts. The reduction in funding was 13% and this was due to more continuers coming through compared to new starts.

D Pullein emphasised that if employers did not pay their 5% contribution then the College would not receive the other 95%. D Whitehead stated that these issues have been discussed regularly with the ESFA and Ministers, through various group meetings. Co-funded Apprenticeships would be moved to the Digital Apprenticeship System (DAS) in October 2020. This could be a risk to Apprenticeship enrolments as employers may find the DAS difficult to use.

Devolution is on the way for Leeds City Region during the financial plan and allocation of AEB funding is by no means certain and another potential risk for the College.

D Pullein noted that an increase in funding for Traineeships has been announced by the Government and the College is looking into this, however, it has not been included in the plan.

D Pullein stated that the ESFA are currently looking at sub-contracting and this is another potential risk.

The 10% and 30% reduction has also been applied to Levy Apprenticeships. The College plans to introduce Level 3 rail courses in 2020/21 through Advanced Learning Loans.

D Pullein stated that an assumption has been made that the Government will continue to fund the rise in Teachers Pensions until July 2021.

D Pullein stated that no pay award has been included in 2020/21 and 2021/22. D Whitehead noted that an assurance had been given previously that 2019/20's pay award would be revisited by the Board to see if a further pay award could be made. However, the general feeling is that it would not be a good time to pay a further increase in these circumstances and pressure on the budget plan next academic year. He felt that it should be deferred and requested that the Executive Team and Board should revisit once the recruitment numbers were known later in the autumn term, and then revert to the normal discussion cycle regarding pay awards in April each year.

7. FINANCIAL PLAN 2020/21 – 2021/22 (continued)

D Whitehead reported that provided recruitment was a lot better than expected, particularly with Apprentices, and it was affordable to do so without placing jobs or College finances at risk, he and the SMT would like to continue paying pay awards and/or bonuses for the very good work staff are doing. It was noted that if the pre-COVID-19 budget V1 had been possible the College would have been in a lot better position. The Board approved the proposed way forward on staff pay.

The Chair experienced technical issues with accessing the on-screen meeting with members and moved to telephone access; the Vice Chair took over for the remainder of the meeting.

S Bray stated that how this was reported to staff would be crucial but acknowledged that it had only been “an assurance to look” at this. M Scott agreed that the right message needed to be sent to staff. Professor D Russell and M Scott agreed that due to the current uncertainty it would not be the right time to make this decision.

M Roper asked if any staff were leaving at the end of the year and whether there would be a moratorium on recruitment. J Wignall stated that there were just a few leavers and there were very few vacancies at the moment; the College would only replace these where warranted.

D Whitehead stated that discussions are already taking place with Joint Union / Staff Forum members and it has been made clear that if Version 2 is achieved next year then the College will have achieved a good position.

D Whitehead stated that Apprenticeship Frameworks will be switched off at the end of July 2020. Standards and EPAs would take over, together with all associated costs. He noted that there were some areas where Standards have not yet been developed and gaps in trade routeways and levels etc., causing more concern with Apprenticeship recruitment.

D Pullein noted that the Government has made available £200m for colleges regarding infra-structure / digital; this would be based on a formulaic basis. D Pullein stated any funds would need to be spent by the end of March 2021 and potentially will be a grant and no match funding required. A wish list would be progressed.

D Pullein stated that a question had been raised regarding interest rates. Currently these are at 0.1% and loans would be kept under review as the interest rates on these are not fixed. The outstanding loan figure at the end of the plan would be £4.9m.

D Pullein noted that the Bank Covenant buffer was not large and would be closely monitored.

The 2019/20 Statement of Comprehensive Income was forecast to be (£405k) but potentially may be better than this.

The Balance Sheet was noted. D Pullein stated that if the plan was achieved the net current (liabilities) / assets would be positive in 2021/22.

7. FINANCIAL PLAN 2020/21 – 2021/22 (continued)

M Scott acknowledged that a lot of work has gone into these budgets. He asked if temporary staff would be needed to help cover classes which may be smaller. D Pullein noted that 16-18 social distancing in classrooms did not seem to be an issue and no extra costs have been built in.

D Pullein noted that currently the Financial Health score for 2019/20 was predicted to be Requires Improvement. However, potentially this may be better and at the bottom end of Good. Cashflow at the end of 2019/20 could also potentially be better, at £1.7m.

Key Performance Targets were noted, together with the Risks and Opportunities. The Opportunities could also include the Government packages, Capital funding and Traineeships.

M Scott raised the question of Debtors. D Pullein stated that every effort is being put into this through the Finance Team. The key difficulties are getting hold of people and their financial situation. Provision has been made in the accounts for 90-120 day debts as the worst-case scenario.

R Lindley stated that the paper was clear and well presented. She queried whether opportunities regarding money saved due to working from home etc. could continue. D Whitehead stated that the College plans to still do some remote learning and build on any lessons learnt and good practice developed during the lockdown etc. WBL could also continue to carry out some employer visits / reviews remotely, which would result in travel cost savings. It could also be more about efficiencies rather than money.

N Davis stated that students have been surveyed regarding remote learning and a reasonable response has been received. She noted that it would be easier for HECDM to continue remote learning, rather than Construction Crafts. She stated that contingency plans are in place in case of local lockdowns etc. Some time would also be required to sort out Apprenticeships if numbers increased.

R Lindley asked if opportunities regarding digital could be built on; D Pullein stated that this would depend on the ESFA Capital Funding rules.

D Whitehead noted that the College is involved with WYCC's Let's Talk Real Skills which is helping to bring in some funding and can help support digital developments and delivery.

D Pullein reassured Governors about the time spent on these budgets; every single budget line has been considered by SMT. The Chair acknowledged this and stated that this effort should not be under-estimated.

The Board approved the Financial Plan (Version 2) for 2020/21 – 2021/22, subject to any changes over the summer. The Board also agreed to revisit the 2019/20 pay award and/or bonus later in the autumn term.

8. MAY MANAGEMENT ACCOUNTS

D Pullein presented Item 8 (May Management Accounts). Overall he felt that 2019/20 would be a reasonable year based on two assumptions: 1) that the ESFA pay the College's AEB allocation (which they have said they will) and do not reconcile it and 2) Apprentices in learning have actually been taught remotely and there are no late withdrawals.

The Key Performance Targets show Co-funded Apprenticeship Numbers as Amber and Levy Apprenticeship Numbers as Red. D Pullein assured Governors that these would be Green in the June management accounts. He noted that targets had been fairly stretching but everyone of them will be achieved.

No issues were raised regarding Bank Covenants. Achieve Through Learning Ltd is in the closedown phase and Novation Contracts have been signed.

D Pullein noted that the Statement of Comprehensive Income would show some revised figures in June 2020.

The Board noted the Management Accounts for 31 May 2020.

9. PERFORMANCE MANAGEMENT REPORT

N Davis presented Item 9 (Performance Management Report), which she would take as read and walked members through queries raised prior to the meeting.

The engagement levels of students during the lockdown had been raised. She noted that nationally figures were around 75/80% and the College was around this level and showed better engagement levels than schools. Faculty trackers are in place and calculated grades have been submitted. This has been a different mechanism that students have used to engage with the College and shows 80/85% engagement rate.

The question regarding Apprenticeships / Traineeships had been covered earlier. N Davies confirmed that planning for T Levels was due to commence September 2020 for September 2022 start.

A question was raised regarding the English / Maths predicted grades of students coming into the College and whether they would be appropriate for the courses. She stated that the validity of GCSE grades is always the case. The English / Maths team are working on some on-line resources which may be of benefit to students, with lack of peer pressure and more comfortable for them to engage with. Provision for students with English as a second language is also being developed.

A question was raised regarding the gap in learning / studying (i.e. 6 months) and what support would be available. N Davis stated that lots of working is going on. Work would be available for students over the summer and a section on the website is being developed by Marketing which will include Workbooks for students to access. A link will be emailed out to Governors for information. Refreshers / upskilling will be in place for September. M Scott noted the good, comprehensive answer regarding gaps in learning / studying.

9. PERFORMANCE MANAGEMENT REPORT (continued)

Professor D Russell acknowledged the effort / hours put in. The level of engagement / commitment deserves high commendation, for both academic and support staff. The Chair endorsed this comment. N Davis noted that it has been a real team effort and thanked him for this, which she would pass on to staff.

N Davis noted that there is lots of negativity in the press but students are far more resilient than made out in the media.

The Board noted the Performance Management Report.

10. UPDATED RISK REGISTER

D Pullein presented Item 10 (updated Risk Register). This has previously been discussed at the Audit Committee meeting and recommended to the Board.

He noted that RAG rating has been implemented. Some Risks were out of kilter in the last report and this has now been amended. The Risk Register has been updated as appropriate due to COVID-19 issues. R Lindley had raised the question of Target Scores and whether these were expected to be achieved or were aspirational. D Pullein stated that work was required on the target scores as part of the ongoing review / assessment.

The Clerk noted that the Risk Register has been discussed weekly at the Chair / Vice Chair / Principal's discussion throughout the lockdown.

The Board noted the updated Risk Register.

11. INTERNAL AUDIT PROGRESS REPORT

D Pullein presented Item 11 (Internal Audit Progress Report); this was previously presented to the Audit Committee.

The planned ESFA Mock Funding Audit was reallocated to support the College through an External (ESFA) Audit of its 2018/19 ILR during August and September and the planned January 2020 review of Business Strategy and Performance Reporting in relation to Achieve Through Learning Ltd was cancelled, following the College's decision to cease trading through the Company and transfer activity back to the College. Subsequently all internal audit work was then 'suspended' by the College due to the COVID-19 lockdown restrictions imposed.

Some assurances were noted in the report. The College's financial health score of good and a reasonable report from OfS showing a small clawback should also give members some assurance. Grant Thornton also stated in the Audit Committee that the College needed to bear in mind how this would be reported in the financial statements.

The Board noted the Internal Audit Progress Report.

12. INTERNAL AUDIT PLAN 2020/21

D Pullein presented Item 12 (Internal Audit Plan 2020/21). He confirmed that a meeting had taken place between himself, P Norris, R Lindley and J Creed (ICCA) to discuss the approach for next year. The Internal Audit Plan had been discussed at the Audit Committee earlier and recommended for approval to the Board.

D Pullein stated that the 2019/20 risk related items have been moved over to 2020/21. If any evolving current evolving situations dictates a need to look at other areas then this would be taken back to the Audit Committee.

The Board approved the Internal Audit Plan for 2020/21, subject to any changes as appropriate.

13. EXTERNAL AUDIT PLAN FOR 2020/21

D Pullein presented Item 13 (External Audit Plan for 2020/21). This had been discussed at the Audit Committee earlier and recommended for approval to the Board.

D Pullein stated that two key points had been raised by Grant Thornton. Significant consideration will need to be given to the Going Concern assessment, which is a heightened risk due to COVID-19. The logistics of the audit and the different management style which will be used in the process was raised by Grant Thornton. As the College may still be off site when the initial audit starts this may be done remotely. Grant Thornton are comfortable that the audit can be carried out in the timetable set out.

The Board approved the External Audit Plan for 2020/21.

14. ANTI-FRAUD & BRIBERY POLICY

D Pullein presented Item 14 (Anti-Fraud & Bribery Policy). The Policy had been reviewed and was considered to be fit for purpose and therefore no changes had been made. The Policy had been discussed at the Audit Committee earlier and recommended to the Board for approval.

The Board approved the Anti-Fraud & Bribery Policy.

15. WRITTEN RESOLUTION 25 FEBRUARY 2020

The Clerk presented Item 15 (Written Resolution – 25 February 2020). This related to the IFMC return to the ESFA (which was subsequently submitted on 28 February 2020).

The Board noted the Written Resolution dated 25 February 2020.

16. WRITTEN RESOLUTIONS AND CHAIR'S ACTIONS

The Clerk presented Item 16 (Written Resolutions and Chair's Actions). This related to various Written Resolutions and Chair's Actions during the lockdown period, 23 March 2020 to 6 July 2020.

16. WRITTEN RESOLUTIONS AND CHAIR'S ACTIONS (continued)

Professor D Russell thanked D Whitehead for the weekly communications / notes which had kept Governors in the picture and reassured them that things were still being progressed as appropriate.

The Board noted the Written Resolutions and Chair's Actions.

17. ROLE OF BOARD CHAIR FOR 2020/21

The Clerk noted that J Evans' term of office is due for renewal on an annual basis as agreed when she took on the role of Chair. Positive results have been noted following the Chair Evaluation Survey regarding J Evans' role as Chair. The Clerk stated that J Evans is prepared to stand as Chair for a further year (up to the end of July 2021).

The Board approved the nomination of J Evans as Chair of the Board for a further year, to the end of July 2021.

The Chair noted the work that has been carried out by the Executive Team and Senior Management Team and the ability to change and deliver remotely to students has been first class. He passed on the Board's thanks to D Whitehead, D Pullein, N Davis and their teams.

The Clerk noted that, as members are aware, he also works at Leeds Trinity University (LTU) and has been offered a 0.8 position at LTU which he has subsequently accepted. He would therefore be leaving at the end of September 2020. The Clerk thanked J Evans / P Norris and the Executive Team for their support and he had thoroughly enjoyed supporting the College over a number of years. He noted that the College is a unique place and felt it is important that it keeps its independence.

The Chair, on behalf of the Board, thanked C Williams for his valued contribution over the years.

D Whitehead also thanked C Williams for his contribution to the College on behalf of the Executive / College teams and wished him all the very best in his new role with LTU.

D Whitehead noted that the process for a replacement is being put in place and an advert would be going out early next week, subject to approval by the panel. A selection panel, involving the Chair, Vice Chair and Principal, would meet at the end of August 2020, with interviews scheduled for 8 September 2020.

DATE OF NEXT MEETING

The next meeting is scheduled for Tuesday 6 October 2020 at 3.45pm.