



**Minutes of the Corporation Meeting held on Tuesday 11<sup>th</sup> February 2020 commencing at 4.30pm**

Members Present: Liam Butler  
Katharine Clough  
Peter Davies  
Martin Dudley  
Aldrich Gonsalves  
Charlie Harvey  
Alison Hodge  
Helen Lawley  
Valerie Little  
Suhail Rana  
Jonathan Sandhu  
Liz Sithole  
Neil Thomas (Chief Executive & Principal)  
David Whatton (Chair)

In Attendance: Andy Comyn (Chief Operating Officer)  
Gill Darwood (Senior Officer Corporate Governance) (SOCG)  
Debbie Goode (Executive Director Public Affairs & Marketing)  
Shaun Hunt (Executive Director Innovation in Technical Programmes)  
Steve Johnson (Executive Director Estates & Capital Projects)  
Diana Martin (Vice Principal)

**1 Confirmation of quorum and apologies for absence**

1.1 Apologies for absence were received from Sanjeev Ohri, Jason Parker, Andy Robinson and Tom Westley.

1.1.2 The Chair welcomed Liam Butler to his first meeting.

**2 Declarations of Interest**

2.1 There were no declarations of interest.

**3 Minutes of Corporation Meeting**

**3.1 Minutes of Corporation Meeting held on 10<sup>th</sup> December 2019**

The minutes were accepted as a true record and signed by the Chair.

**3.2 Matters Arising**

There were no matters arising other than those on the agenda.

## **4 Strategic Discussions**

### **4.1 College strategic timeline update**

4.1.2 This item was deferred to the next meeting.

### **4.2 T Levels update**

4.2.1 Diana Martin and Karl Veltman gave a presentation on the progress in relation to preparation for the introduction of T Levels from September 2020. The presentation covered:

- The background and reasons for the national policy change
- The difference between a T Level and an apprenticeship.
- The progression routes and UCAS tariff allocation compared to A levels.
- The transition to T levels and the pilot level 2 pathways.
- The College's preparations including staff development and student engagement.
- Current applications stood at 16 for Construction, 17 for Education and 5 for Digital, with a maximum of 18 places on each programme.
- Activity to build capacity on industry placements and the use of £300k capacity delivery fund.
- Other financial support including £650k match funding for capital investment, £220k specialist equipment and £50k early adopter funding.
- Future plans beyond 2020 for further T Level programmes in 2021 and 2022, with all routes being available by that point.
- Available only to 16-19 year olds, not adults.

4.2.2 Diana Martin and Karl Veltman answered members' questions on points of detail relating to T Levels.

4.2.3 Members acknowledged the challenge in finding a large number of industry placements and the additional demand this would place on employers. It was agreed that, as the offer expanded across all colleges there would be a need for a collaborative approach between colleges to avoid competing requests being made to employers. Discussion took place on the need to incentivise employers to take part in this, as was the case in many countries.

4.2.4 In response to a question from the Chair D Martin confirmed that the College would continue to ensure that appropriate alternative routes were available for learners who might currently transfer within the College from A Level to vocational provision.

4.2.5 It was noted that the monitoring and support of learners on placement would require additional staffing resource.

4.2.6 **It was resolved** To note the presentation on T Levels.

### **4.3 Advance TECC (Waltham Forest) update**

4.3.1 The CE&P presented an update on the College's progress with the development of the Advance Technical Engineering and Construction Centre (ATECC) in Waltham Forest. The presentation covered:

- Centre performance to 31 July 2019 was broadly as projected, with a planned deficit of £0.15m.
- Income forecasts for 2019/20 had been reduced by £0.7m to £1.24m, resulting in a deficit of £0.23m compared to the originally planned surplus of £0.07m.

- Ongoing operations had resulted in a significant amount of neglect on the part of the previous operators.
- Developing the centre infrastructure and stakeholder engagement had involved more time than originally planned, and less time on the core training offer.
- First cohort of HBCF had all successfully completed the programme and were currently on their 4 week work placement. Early indications were that some of these would be offered a higher apprenticeship.

4.3.2 Moving forward the plan was to address these challenges through:

- Developing new relationships with key stakeholders and employers, including the London Borough of Waltham Forest and City Hall.
- Initially focused activity on Simian's scaffolding provision before introducing a wider training offer.
- Brought in support from Dudley Advance.
- Established regular Executive Meetings at the centre.
- Explored opportunities for local AEB funding.
- Reduced staff costs.
- Business plan remodelled to reflect position with slower than expected start on curriculum delivery in 2019/20.
- New profile of business development agreed and being managed closely.
- Berkley Homes Apprenticeship provision secured with a value of £300k.
- CADCOE Digital Apprenticeship launched with 40 planned starts in 2020.
- Growth on existing Apprenticeships.
- Development of BIM Suite and Innovation Zone will bring significant new business opportunities.

4.3.3 Members also noted the written report which had been provided, and which had been discussed in some detail at the recent Finance & Estates Committee.

4.3.4 Members raised the matter of due diligence and what could have been done differently to highlight the challenges which had been experienced. The CE&P explained that the forecast was based on the previous year's order book which had been substantially wound down in the period prior to the College taking over operations.

4.3.5 In respect of the length of term of the contract, it was noted that the 9.5 year contract could be extended and there was an opportunity to exit at 5 years, or alternatively at that point to move the centre on to a local provider. A Comyn confirmed that the forecast was for the centre to begin to make a contribution by 2022.

4.3.6 Members noted the wider benefit for the College in being able to offer joint location delivery between ATECC and Dudley for some national employers.

4.3.7 **It was resolved** To note the report and approve the revised forecast in respect of ATECC.

*Helen Lawley left the meeting.*

#### **4.4 IoT update (minutes of IoT Board)**

4.4.1 By way of an update for all members a copy of the TTPL draft board minutes dated 17th January 2020 were provided. Andy Comyn highlighted the key points from the minutes and answered questions on points of detail:

- Capital licence had been signed.
- Recovery of money spent to date from DfE.
- Operational development plan discussed.
- Looked at anticipated numbers of learners.
- Marketing activity.
- Medical engineering apprenticeships would be taken on now which would give progression into IoT.
- Very strong employer engagement.
- TTPL finance update.
- Governance structure as wholly owned subsidiary of Dudley College of Technology.
- Funding to build premises would go into TTPL.
- Delivery would be undertaken by providers under licence.
- New build update and plan to start on site later this month.

4.4.2 A Comyn explained that updates would be provided via the Finance and Estates Committee and that these would be accompanied by a summary highlighting any matters for the attention of the Corporation and specifying any items which required Corporation approval.

4.4.3 **It was resolved** To note the report.

### **5 Finance and Resources Matters**

#### **5.1 Finance & Estates committee – minutes of meeting held on 3<sup>rd</sup> February 2020**

5.1.1 The minutes of the Finance & Estates committee meeting held on 3<sup>rd</sup> February 2020 were noted. As Chair of the Committee, Peter Davies highlighted the key points contained within the minutes other than those covered on the agenda of this meeting.

- Contribution by curriculum area – margins had been consistent across a number of years.
- Additional marketing funding proposal to be brought to March Corporation.
- The CAT Centre was now near optimum capacity and the College was investigating the lease on the adjoining Unit 8 to further extend the course offer. A 10-year lease term with a 5 year break option with annual rent of £154k was being considered. The business plan for unit 8 showed a predicted surplus of £126k after the first year.
- Proposal to sell the caretakers houses still owned by the College based at Mons Hill, which had been independently valued at £120k, to the local authority as part of the IoT land purchase/sale. The College would receive the proceeds from TTPL for this sale. Approval of the Corporation was required for this disposal of assets.

5.1.2 **It was resolved**

- To note the minutes of the Finance and Estates Committee.

- To approve the proposal in respect of Unit 8 adjacent to the CAT Centre to enter into a 10 year lease term with a 5 year break option at an annual rent of £154k.
- To approve the disposal of the caretakers houses at the Mons Hill site at the agreed price of £120k.

## 5.2 Management Accounts – December 2019

5.2.1 The COO presented the management accounts and accompanying report for the period ended 31 December 2019. The report provided a commentary on the year to date financial performance of the College, the key points of which were noted:

- the EBITDA was £3.383m, £0.91m below budget but £0.8m more than the same point last year.
- income was currently £22.598m, £0.97m below budget, but £3.68m more than last year.
- expenditure was broadly in line with budget.

5.2.2 Whilst it was still relatively early in the year and work was ongoing in preparing a revised forecast outturn, the College considered there would be limited pressure on the full year EBITDA budget of £3.936m, primarily linked to the additional work required at Waltham Forest to build this centre up from a much lower base than the College had anticipated when taking it on in February 2019. Based on early indications of forecasting work so far, the College considered that the revised EBITDA as a % of income would remain in the 7% band, which was unchanged from the original budget and meant there would be no impact on the ESFA's operating performance financial health score. The COO noted however that whilst the above view on the full year EBITDA out turn was considered to be the case at the point of preparing the management accounts, the subsequent detailed work to finalise the forecast had highlighted that the EBITDA would reduce by more than expected above, as outlined in the following agenda item.

5.2.3 The COO explained that the accounts had been considered in detail at the Finance & Estates committee. He confirmed that cash generation remained strong and the College was expected to be able to meet all its obligations whilst remaining within existing credit facilities.

5.2.4 **It was resolved** To approve the management accounts to December 2019.

## 5.3 ESFA integrated financial model for colleges

5.3.1 The COO reported that the ESFA model for Colleges was required to be completed based on the College's 3-year plan. This was required to be submitted to the ESFA on 28<sup>th</sup> February 2020. In order to explain this to members, the COO explained how the figures from the college's 3-year plan related to the figures within the model.

5.3.2 The COO reminded members of the details of the 2019/20 budget, including some key assumptions, which had been agreed by Corporation in July 2019. He explained that in the revised 2019/20 forecast out turn, income was now forecast to be £534,780 below the original budget due to a number of movements:

- £0.7m reduction in Waltham Forest (to be discussed later on the agenda).
- £0.2m reduction in HE fees – due to a trend to more higher level apprenticeships.

- £0.3m increase in income related to learner support.

- 5.3.3 Variances in expenditure amounting to an increase of £243,919 were noted as:
- Re-alignment of costs between pay and non-pay
  - Pay award, incremental progression and majority of staffing efficiencies achieved without compulsory redundancies.
  - Additional 3<sup>rd</sup> party delivery costs incurred from specialist provision
- 5.3.4 It was noted that these were partially offset by non-pay reductions in both curriculum and non-curriculum areas.
- 5.3.5 The COO explained some increases in third party delivery costs in highly specialist technical areas had been anticipated, but these costs were now expected to be £0.6m more than planned.
- 5.3.6 He explained the measures which had been introduced by the senior leadership group to ensure that this was strictly controlled in future, in the same way as the College's direct staff recruitment. He explained that an immediate review had been instigated to reduce delivery costs to meet the 2020/21 forecast.
- 5.3.7 Based on the reforecast, this would result in a revised EBITDA of 6.27% compared to a budget of 7.71%, a lower year-end cash position and probable reduction in the current ratio. The impact on the financial health score would be a reduction of between 10 to 30 points from the budget of 190 points to between 160-180 points on the ESFA scoring system, which would fall within the Requires Improvement (for 160 or 170 points) to Good (180 points) categories.
- 5.3.8 The CE&P and COO provided clarification on points of detail and answered members' questions as necessary. It was confirmed that these changes from the original forecast would not affect the viability of the College.
- 5.3.9 In respect of future years, the COO reminded members of the College's financial strategy to achieve an EBITDA as a % of income of 9.7% in 2021 and 9.8% in 2022.
- 5.3.10 The 2020/21 income assumptions were outlined, which included:
- Income £0.7m below financial strategy due to impact of Waltham Forest broadly delaying growth and development of centre by a year and reduction in business partnerships and DISE (Institute of Swimming) income
  - Reduction in net total delivery pay costs (including 3<sup>rd</sup> party) by £0.5m (actions for which would be put in place following an immediate review)
  - Pay award of 1%
  - Continuation of incremental progression
  - The assumptions were resulting in an EBITDA of £4.843m (9.07% of income), £0.4m below the financial strategy
- 5.3.11 In respect of 2021/22 the revised forecast was based on a number of assumptions:
- Income £0.4m below financial strategy due to impact of Waltham Forest and reduction in business partnerships and DISE income
  - Rolling forward delivery cost efficiencies
  - Pay award of 1%
  - Continuation of incremental progression
  - No IoT impact included

- IoT to open in September 2021
- Anticipated modest surplus for DCoT from IoT offset by costs of supporting the operation of the new IoT building
- No income or costs were included in this forecast
- The assumptions were resulting in an EBITDA of £4.945m (9.05% of income), £0.5m below the financial strategy arising from:
  - Impact of Waltham Forest and appropriate increase in cost of delivery above original plan

5.3.12 The Chair asked what confidence the College had in the level of prediction of income growth. The COO explained that the growth predictions were modest growth for the next year and were based on reasonable assumptions.

5.3.13 Members agreed that the Corporation should have confidence that the College was in a robust position with the current cash position and facilities in place. P Davies noted that this performance placed the College in the upper quartile of colleges.

5.3.14 The COO explained the financial health score calculation in the model which was based on adjusted current ratio, EBITDA as % of income and borrowing as a % of adjusted income. He also highlighted the balance sheet, cash position and cash flow forecast. It was noted that for prudence the forecast provided for payment over two years of the agreed additional £3.5m contribution to IoT funds which were owed by the LEP/WMCA, although it was fully expected that this funding would be forthcoming. The forecast showed an improving cash position each year to 2022.

5.3.15 It was noted that this performance would rate the College as ‘requires improvement’ with the ESFA scoring methodology, which would mean ongoing ‘early intervention’ status. The CE&P stated that this status was not problematic but provided for a close relationship with the ESFA and enabled them to have a good understanding of the College.

**5.3.16 It was resolved**

- To approve the three-year plan.
- To approve the Integrated Financial Model for Colleges for submission to ESFA.

**5.4 Confidential – Partnerships (sub-contracting) outcome of review and future activity plan**

*(This matter is the subject of a separate and confidential minute)*

**6 Health & Safety Matters**

**6.1 Health and Safety: Autumn Term Report**

6.1.2 S Johnson presented a report which summarised the main Health & Safety issues and developments for the 2019/20 Autumn term:

- The College Health & Safety committee had met on 13th November 2019 and reviewed any issues and performance. No major issues were raised.
- The Health & Safety Policy and Procedures had been reviewed, minor amendments had been made and approved at Corporation.
- A number of Health & Safety training courses had been delivered, including staff inductions and on-line staff updating.
- Accident statistics had increased by 100% overall, from 14-28, and there was one HSE reportable incident up from zero in the same period last year.

Analysis of these had been undertaken and there were no major concerns on a review of the information, and the second quarter showed a significant drop, resulting in a reduction in the total number of accidents in the year to date period ending 31st January 2020 compared to the same period last year. It was noted that a number of the accidents had taken place at new sites which had not previously been included in the analysis, such as Waltham Forest and the Art & Design Centre.

- Health & Safety consultants had carried out an audit of the college in week commencing 20th January 2020, with no critical findings, one high level issue and 35 medium issues to address, which were now in progress.

6.1.3 **It was resolved** To note the health and safety autumn term report.

## **7 Standards Matters**

### **7.1 Standards Committee - minutes of meeting held on 28<sup>th</sup> January 2020**

7.1.1 The minutes of the standards committee meeting held on 28<sup>th</sup> January were noted and David Whatton, as Chair of the committee, highlighted the key points from the minutes:-

- Review of the Dashboard
- Establishment of governor links to curriculum which would be covered under the next agenda item.
- Operational Development Plans
- A reformatted teaching and learning report
- Safeguarding report which had included a case study
- Office for Students update

7.1.2 In response to a question from V Little relating to the integration of BMet staff and the standard of teaching and learning, D Martin confirmed that the standards had generally been high and the staff were now well integrated into the College.

7.1.3 **It was resolved** To note the minutes of the Standards Committee.

### **7.2 Data dashboard review**

7.2.1 The CE&P presented a review of the dashboard data in respect of final outcomes for 2018/19 and in year data for 2019/20, noting that:

- In year updates had been undertaken on enrolments, attendance and satisfaction which included induction survey results benchmarked against other grade 1/2 colleges.
- The data showed a positive picture in terms of current enrolments for all key client groups.
- The financial indicators in respect of 2018/19 had all been updated.
- All information had been looked at in detail at standards committee and there were no causes for concern on enrolments, attendance or learner satisfaction.

7.2.2 **It was resolved** To note the update.

### **7.3 Operational Development Plans 2020**

7.3.1 The CE&P advised that the priorities within the College's Strategic Plan 2020-23 had now been turned into tangible actions and any actions relevant for the current

academic year had been included in the new College Operational Development Plans for 2020. These plans also covered any significant areas for wider development or improvement identified from the Annual Strategic Impact Assessment or other quality processes. The new CODPs had the same structure as the Strategic Plan and a senior operational lead was allocated to each plan. Members of the standards committee had reviewed the plans and had fed back a number of comments.

7.3.2 The CE&P explained that the finalised ODPs would be uploaded into Pentana for monitoring and reporting. The SOCG advised that copies of all plans were available within the document library in Convene for reference of members.

7.3.3 Going forward these plans would be monitored through regular reporting to Standards Committee (and ultimately full Corporation). Pentana would provide summary reports so that members could review that progress was being made and explore any action, by exception, which had fallen behind due date. The first report would be presented at the next Standards Committee meeting. Members discussed the proposal to link each Corporation member to the structure of the Strategic Plan and expressed their support for the proposal to create a 'link governor' for each strategic area and for link activity to be planned in the College across the year to enable each governor to explore elements of the progress with the Strategic Plan/CODP in more detail. The SOCG had provided a recommended 'link governor' proposal for consideration which members generally supported. Members were asked to advise any preferred changes to this alignment to the SOCG. It was noted that A Hodge would be visiting ATECC/Waltham Forst on a forthcoming trip to London and the Chair stated that in the absence of another member being able to act as the link governor for this area then he would undertake to do this role. It was acknowledged that, whilst having a focus on one specific area, members would also welcome the opportunity to see the breadth of provision and activity of the whole College in a wider sense.

#### 7.3.4 **It was resolved**

- To approve the draft College Operational Development Plans.
- To approve the governor link programme.

#### 7.4 **Overview of Office for Students (OfS) requirements**

7.4.1 The CE&P presented a report outlining requirements of the Office for Students (OfS) which had been considered in some detail at the recent Standards Committee.

7.4.2 He explained that Office for Students (OfS) registration was necessary for the delivery of Higher programmes of study within the College. There was a series of conditions of registration which must be maintained in order for registration to remain in place. Breach of these conditions could result in withdrawal of registration and substantial financial penalties and therefore close attention must be paid to adherence of key dates and data submissions as well as ensuring that any changes to the delivery of Higher Education or the College itself were reported in a timely manner.

7.4.3 The report detailed the key conditions of registration, how they were assessed and key dates for action around the conditions. The CE&P explained that further

updates on the College's compliance activity would be provided to the standards committee on a regular basis.

7.4.4 **It was resolved** To note the overview of OfS requirements.

## **8 Policies**

### **8.1 Treasury Management**

8.1.1 The COO explained that, following a review of the existing Treasury Management Policy and executive summary, the College was seeking to make only minor amendments to these documents. The changes being proposed were noted as changes to staff titles in line with the College's management structure and minor amendments to the wording and removal of any duplicated clauses, but did not change the essence of the policy. The policy had been reviewed at the recent Finance & Estates Committee and was recommended to the Corporation for approval.

8.1.2 **It was resolved** To approve the Treasury Management policy.

### **8.2 Financial Regulations**

8.2.1 The COO explained that the Financial Regulations had been revised to reflect some minor changes to wording and job titles, terms of reference for the newly established Finance and Estates Committee, together with minor amendments to some sections, which had been highlighted for ease of reference. The policy had been reviewed at the recent Finance & Estates Committee and was recommended to the Corporation for approval.

8.2.2 **It was resolved** To approve the financial regulations.

## **9 Governance Matters**

### **9.1 Search Committee – minutes of meeting held on 31<sup>st</sup> January 2020**

9.1.1 The search committee minutes of the meeting held on 31<sup>st</sup> January 2020 were noted. As Chair of the committee, the Chair outlined the key points of discussion.

### **9.2 Appointment of new members – Jason Parker and Liam Butler**

9.2.1 The Chair explained that the Search Committee at its meeting on 31<sup>st</sup> January 2020 met with Liam Butler and Jason Parker as potential new members of the Corporation. The recommendations of the Search Committee were considered and approved by members.

#### **9.2.2 It was resolved**

- To appoint Liam Butler as an external member of the Corporation for a term of office of four years and that he be appointed to the Audit Committee.
- To appoint Jason Parker as an external member of the Corporation for a term of office of four years and that he be appointed to the Finance & Estates Committee and Remuneration Committee.

### **9.3 Appointment of Dudley College representative on Dudley Academies Trust Members' Board**

9.3.1 The Chair explained that Dudley College of Technology, as sponsor of Dudley Academies Trust, was a corporate member of the Trust and the Corporation

nominated a representative to act in this capacity on its behalf. Following the resignation of Lowell Williams as CEO of the College, the Corporation was required to appoint a replacement representative. It was proposed to nominate Neil Thomas, Chief Executive & Principal to act as the appointed representative of Dudley College of Technology on the Members Board of Dudley Academies Trust.

9.3.2 **It was resolved** To appoint Neil Thomas as the representative of Dudley College of Technology on the Members' Board of Dudley Academies Trust.

#### 9.4 **Terms of reference of remuneration committee**

9.4.1 The SOCG explained that it was considered good practice for Corporation committees to undertake a periodic review of their terms of reference. The terms of reference had been amended to include reference to the AoC Senior Post Holders Remuneration Code and the requirement to publish an annual remuneration report. The document had also been updated to change references to the 'Chief Executive Officer' to 'Chief Executive and Principal'. The Remuneration Committee had considered these terms of reference and recommended them to Corporation for approval.

9.4.2 **It was resolved** To approve the terms of reference of the remuneration committee.

#### 10 **Date of Next Meeting**

10.1 Tuesday 24<sup>th</sup> March 2020 at 4.30pm

#### 11 **Any Other Business**

11.1 There were no other matters of part I business.

*A Comyn, D Martin, S Johnson, S Hunt and D Goode left the meeting.*

**Approved by the Corporation at its meeting on 24<sup>th</sup> March 2020**