



Minutes of the Corporation Meeting held on Tuesday 28th April 2020 commencing at 4.00pm via video conference

Members Present: Liam Butler
Katharine Clough
Peter Davies
Aldrich Gonsalves
Alison Hodge
Helen Lawley
Valerie Little
Jason Parker
Jonathan Sandhu
Liz Sithole
Neil Thomas (Chief Executive & Principal)
Tom Westley
David Whatton (Chair)

In Attendance: Georgina Barnard (Managing Director – IoT)
Andy Comyn (Chief Operating Officer)
Gill Darwood (Senior Officer Corporate Governance) (SOCG)
Debbie Goode (Executive Director Public Affairs & Marketing)
Steve Johnson (Executive Director Estates & Capital Projects)
Diana Martin (Vice Principal)
Sanjeev Ohri (Chief Officer Business Development & DC Worldwide)
Carl Riding (Vice Principal Curriculum & Performance)

PART I (Not confidential unless indicated)

I Confirmation of quorum and apologies for absence

- I.1 Apologies for absence were received from Charlie Harvey and Suhail Rana. The SOCG confirmed that a quorum was present.
- I.2 The Chair reminded members that the term of office of Jon Sandhu, business support staff elected member, had expired on 21st April 2020 and explained that due to the current lockdown which had resulted in the furloughing of many business support staff, it would not be possible to proceed with an election process for a new member at the present time. Jon Sandhu had therefore kindly agreed to extend his term of office up to 31st August 2020, subject to approval of members. It was felt important to continue to have representation from business support staff at the present time.
- I.3 **It was resolved** To extend the term of office of Jonathan Sandhu as a member of the Corporation until 31st August 2020.

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 24th March 2020

3.1.1 The minutes were confirmed as a true record for signature by the Chair.

3.2 Matters Arising

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

4 Update on financial matters

4.1 The CE&P introduced the paper which provided the latest financial projections for the college following the Covid-19 outbreak. It included a revised income & expenditure forecast, short term cash flow forecast, likely impacts on the ESFA financial health assessment grading and the impact on bank covenants.

4.2 The COO explained that the situation would have a detrimental impact on the financial outturn for the year with a reduction in income which would be partially offset by some reductions in expenditure. The estimated forecast out turn EBITDA would now be approximately £2.446m (5.03% of income). This was as a result of a forecast reduction in operating income of approximately £2.5m, principally from apprenticeships and commercial programmes, partially offset by an additional £0.5m of income from the Government's Job Retention Scheme from furloughing staff, resulting in a total net reduction in income of £1.958m. However, there would be an estimated reduction of a total of £1.23m of costs, arising from a forecast reduction of £0.37m pay and £0.86m non-pay costs.

4.3 The COO explained that the situation was constantly changing and a further update relating to non-levy apprenticeships had been provided on the previous Friday, after issue of the papers, and so was not factored into the projections at present. He confirmed that the projections had been carried out on what is currently thought to be a prudent and cautious basis.

4.4 The COO also provided an update in respect of the number of college staff who had been furloughed under the Government's job retention scheme, which equated to approximately £250k (10%) of the monthly payroll. The COO noted that the college had followed the Government's most recent guidelines when determining the staff to be furloughed, and that the claim remained significantly smaller than the level of funding protection afforded by the Government's interventions to date. Staff were placed on furlough leave from 3 April 2020 and the projections currently assume staff will remain on furlough leave for two months until 31 May 2020, however the Government has extended the scheme for an additional month to 30 June, so subject to the timing of re-opening the college, it may be that some staff remain on furlough leave into June, which would result in additional funding support to the college above what is currently shown in the forecast.

4.5 The COO explained that the ESFA financial health score was now estimated to be between 130 – 150 points, which although a little lower than the originally forecast 160 points within the Integrated Financial Model for Colleges (IFMC) submission to the ESFA in February 2020, would remain within the previously anticipated grade of 'requires improvement'.

4.6 He confirmed that the cashflow was not considered to be problematic under the revised projections for the remainder of this academic year to 31 July 2020.

- 4.7 Further work had been undertaken to model high level cash flow in the early stages of 2020-21 on the basis of reducing income by approximately 10% (£5m) next year, with the majority of the reduction profiled in the first half year. On the basis of no mitigating cost savings made at this time in the model, the college would remain cash positive until early 2021, providing the necessary time to implement any cost mitigations in a timely manner that might be required as a result of a reduction in income due to the longer term implications of the Covid-19 events.
- 4.8 In respect of the bank covenants, the COO noted that there was a risk of breaching one EBITDA bank covenant test at 31st July 2020. He explained that the loan documentation covering the bank covenant tests included wording that exceptional items agreed between the college and Santander could be excluded from the covenant calculations. As outlined at the previous Corporation meeting there had been regular dialogue with Santander keeping them abreast of the situation and Santander had now provided written confirmation that any financial impacts relating to Covid-19 would be recorded as exceptional items, and as such no breach of bank covenants would take place on this basis.
- 4.9 In respect of income, the COO confirmed that
- ESFA 16-18, ESFA Adult Education Budget (AEB) and West Midlands Combined Authority (WMCA) AEB funding were assumed to be received in full.
 - Advanced and HE learning loans, provided the learner was still on the attendance register submitted at the end of April, would be protected.
 - Apprenticeship income was the area which was still uncertain, and the projections included a reduction of apprenticeship income forecast by £1.4m compared to RFI from £11.4m to £10m this year.
- 4.10 In respect of 2020/21, the position was as yet uncertain. The COO explained that he had modelled income reductions for the year and the position would be cash positive until January 2021 at which point there would be a potential need for further support but only if no mitigating actions were taken.
- 4.11 The CE&P reported that he had held discussions with the ESFA who reported it had been highlighted by the FE Commissioner that the College may present a risk as one of the largest apprenticeship providers nationally. The ESFA had however reassured the FEC that they had confidence in the College's ability to address the situation effectively. The CE&P explained that although it was anticipated there would be a reduction in apprenticeships this would be offset by growth in other areas such as unemployed adult provision and more young people in full time education if they were unable to take up apprenticeships or progress into employment.
- 4.12 In response to a question from V Little, the COO confirmed that cash receipts of £800k from the DfE in respect of the Institute of Technology had not been used to support the cash position, but had been assumed to be paid out in line with original timescales.
- 4.13 In response to a question from the Chair in respect of the 2020/21 cash flow position, the COO confirmed that there were still too many uncertainties to produce accurate and detailed predictions at this stage but that the short term viability of the College was not of concern. The CE&P advised that there would be face to face meetings with ESFA and WMCA in the next two weeks which would provide further clarifications.

- 4.14 In response to a question from the Chair in respect of furloughing of staff, the CE&P explained that the college had not initially submitted its return to the job retention scheme as this could be done retrospectively. He explained that clarification had now been received from ESFA to ensure that the college was not in danger of claiming 'double funding' for these staff and confirmed that the College was intending to submit a claim under the scheme which was well within guidelines at 10% of payroll. He noted that if the situation continued for an extended period of time then there was the option to furlough additional staff if needed.
- 4.15 **It was resolved** To note the update and approve the updated financial projections.

5 Update on learning and assessment matters

- 5.1 The CE&P introduced Carl Riding, Vice Principal Curriculum and Performance, who provided a brief introduction to members.
- 5.2 The CE&P presented the paper which provided a summary of current activity in relation to learning and assessment as well as arrangements for completion of qualifications this academic year.
- 5.3 **Current activity and progress to date**
Members considered the briefing to stakeholders issued by the CE&P recently, which provided a helpful summary of the current activity being undertaken, including:
- The move to online learning had gone well with some excellent practice seen from staff and good engagement from learners. More detailed 'usage' data would be shared and discussed at the upcoming Standards Committee.
 - The College had held its first ever virtual staff conference which was hugely successful with over 500 attendees to various workshops.
 - The college continued to deliver on-site programmes for vulnerable young people and those of key workers. It also continued to be the venue for Dudley Academies Trust programmes.
 - The College had contributed to a range of activities to support NHS and care settings in the local region, as detailed in the briefing.
 - The College was also supporting the wider local community in a number of ways, including ongoing contribution to the Black Country Food Bank appeal.
- 5.4 **Learner engagement activities - summer term**
The CE&P reported that, now that the closure looked set to be longer term than may have perhaps been hoped at the start, the College was focusing on some wider activity to keep students engaged and to support them in what was a very isolating time. The College also recognised that it would be difficult to keep learners engaged with programmes as time went on, particularly when government announcements had confirmed that they would receive an 'expected' grade. Equally staff would also find this increasingly more challenging as time went by and the difficulty of juggling working from home and family commitments was clearly an issue for many. Activities that were taking place were noted as:
- A timetable of sessions to engage students in the college community had been developed through support from the Student Union. There were activities linked to fitness, social opportunities and clubs such as gaming tournaments.
 - More activities would be introduced to both the staff and student timetable each week.
 - College staff would be delivering 'keep warm' activity to prospective students for next year to support them in preparing to join the college. This would include dedicated

sessions for T-Level learners on preparing them for industrial placements and sessions for applicants to apprenticeship programmes to prepare them for finding work.

- For adult learners the College was broadening the offer of completely online programmes to allow adults to enrol and complete courses remotely in key programme areas. These would be promoted through the WMCA.
- The College were developing plans on support for learners to develop technical/practical skills that cannot be covered under remote delivery arrangements.
- A weekly timetable of staff wellbeing and social activities had been launched. Currently it included fitness sessions delivered by sports staff, links to online resources, chance for a catch-up over a cup of tea, virtual conference sessions, tips for home schooling and a return of the popular pub quiz that the College did at the staff conference.

It was noted that there was some variability in terms of engagement, particularly in respect of some of the lower level practical subjects.

5.5 **Examination and assessment arrangements**

The CE&P explained that the focus in the summer term would be completing qualifications for learners due to finish this year so that they could move on to their intended destination. The college had produced guides for all types of qualifications which it would continue to update as more details were confirmed nationally. These guides had been provided for the information of members.

- 5.6 The CE&P explained that most of the guidance to date focused on how individuals would be given expected grades and how qualifications would be awarded remotely. The College was still awaiting the specific detail from each awarding body on how this would be implemented. Clearly there would also need to be some practical/technical skills assessment or development in some cases. He explained that it was as yet too early to say how this would be done, as it depended on when the college would be allowed to reopen and under what conditions. Awarding bodies were also looking at a variety of alternative arrangements for apprentices to complete End Point Assessments (for example, the College had the first student nationally awarded their EPA this week via Zoom).

- 5.7 The CE&P explained that the College was already looking at a series of scenario plans for what the future might look like. There may be a possibility that the college would be allowed to reopen before the end of the summer term, although this was likely to be under strict social distancing requirements. This would allow staff to focus sessions on those completing this year and who needed to develop technical skills. It may be however that the College was not able to reopen until a later period, meaning the College may have to look at transition arrangements and technical skills development sessions as part of the start of the new academic year, with a potential delay to the start of main programmes. Whatever the timescale, it was felt that the next academic year was bound to look different as the College supported many students to catch up their learning following a break from education, potentially whilst still living in a world of social distancing requirements.

- 5.8 In anticipation, the College now had a revised timetable for this year and next academic year to take account of a delayed start to programmes at the start of the year, transition programmes and delivery of technical skills boot camps over the summer, with flexibility built into the plans to allow for a variety of opening dates. They included a delay until October half term for HE programmes to allow for a half term of transitional work/underpinning knowledge. These plans would be brought to the forthcoming Standards Committee for further consideration.

- 5.9 To offer a student's perspective, Helen Lawley explained that many students were concerned about how things would be remembered in the future, possibly as the year that everyone didn't do their exams which may put them at a disadvantage. She reported that students were generally happy with the online learning which was taking place and which was now gathering momentum. There was the remaining issue of how outstanding practical assessments would be undertaken.
- 5.10 The CE&P confirmed that these issues were all acknowledged at a national level and drew members' attention to a paper from AoC about avoiding the danger of a 'scarred generation'. He also acknowledged that the unemployment situation would be challenging for college leavers who would be competing against those with more experience who were newly unemployed. He explained that the College had submitted a proposal to WMCA about how best to support those learners, to keep them engaged in activities to further develop their skills and help with job search.
- 5.11 A Hodge noted the difficulties of undertaking home study for learners who might be struggling due to physical constraints and facilities. The CE&P explained that the College and the Students' Union were actively trying to support learners wherever possible.
- 5.12 The Chair expressed the thanks of the Board to all staff for their exceptional commitment in these uncertain times.
- 5.13 **It was resolved** To note the report

6 Update on learner and staff wellbeing

6.1 Safeguarding Policy

- 6.1.1 D Martin presented an updated Safeguarding Policy and associated appendices which had been produced in response to additional guidance published by the Department for Education. In summary she explained that this updated policy took into consideration new Keeping Children Safe in Education September 2019 Guidance and also included new appendices directly related to COVID-19.
- 6.1.2 She explained that the policy was intended to provide reassurance to members that the College was maintaining its safeguarding role with learners and adapting processes. It also addressed issues of remote working for staff.
- 6.1.3 **It was resolved** To approve the Safeguarding Policy.

6.2 Learner Support arrangements during remote working

- 6.2.1 D Martin presented a paper detailing learner support arrangements during the lockdown period. She explained that:
- The College remained open to children of key workers and vulnerable young people including being the venue for this cohort from the Dudley Academies Trust schools.
 - All 384 learners with an EHCP had an allocated key worker in regular contact in addition to normal tutors.
 - Learners on Child Protection or Child in Need Plans were supported by a member of the safeguarding team.
 - Counselling service continued to support students.
 - Free school meals provision was being maintained for those eligible.
 - Bursaries continued to be paid.
 - Personal Development Officers continued to provide support to apprentice learners.

6.2.2 She confirmed that there were currently 6 DAT and 4 college learners attending provision on a regular basis at Broadway campus.

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

6.3 **Support for staff and student mental health and well-being**

6.3.1 D Martin presented a paper detailing support arrangements in respect of mental health and well-being of staff and students. In summary:

- Counselling continued for both staff and students.
- Communications with students had been regularly updated.
- Website had been updated to include hints and tips for well-being and external support sources.
- A successful virtual staff conference had been delivered including a Friday pub quiz.
- The College 'community' for both staff and students was being replicated virtually.
- Flexible working for staff juggling work and home schooling was being supported.

6.3.2 The CE&P explained that staff on furlough could still attend social, fitness and wellbeing activities. He noted that unfortunately a number of staff members had suffered bereavement during this time and were being supported, as well as a number of staff who had been unwell themselves.

6.3.3 V Little noted that the group of learners who were of most concern at this time were those whose engagement had drifted and whose parents, due to their own difficulties, were not in a position to support and encourage. D Martin explained that for learners where such circumstances were known to staff, support arrangements were in place, and staff had reached out to any learners where there were concerns to encourage them to access college provision and come into college if they possibly could.

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

7 **Update on projects**

The CE&P presented a paper which detailed a brief summary of the progress with key projects, with particular reference to the impact of Covid-19.

7.1 **ATECC (Waltham Forest)**

7.1.1 The reported detailed that:

- Online learning delivery was continuing for any ongoing programmes - specifically tunnelling, network cabling, functional skills and scaffolding.
- Some learners were furloughed or sites had been closed, but they were still able to access learning materials.
- The Home Building Capacity Fund programme on behalf of the local authority was also still ongoing and being delivered through online tools.
- All other planned new programmes had stopped since the centre had closed. A plan was in place to relaunch programmes as soon as the College was allowed to open, but this may not be before summer.
- The College was continuing to work with Waltham Forest Council, providing regular updates and exploring new initiatives on what the College may need to deliver in terms of short AEB funded programmes once the College returned to full operation.
- The ESIF project had been pushed back with a start date possibly at the end of July 2020.

- Meanwhile the focus was shifting to the creation of an exciting and engaging new range of programmes for August when the College hoped to be back open, including a number of the new modern construction methodology programmes requested by the LA.
- Waltham Forest Council were currently utilising the ATECC centre up to six days per week to support the local community during the current crisis, the centre was being referred to as a “Community Resilience Centre”. Waltham Forest Council were coordinating support for some of the most vulnerable people in the borough. This included:
 - Distribution of food parcels to those who can't leave home
 - Distribution of bulk food to food banks
 - Coordination of prescription pick up and drop off
 - Coordination of PPE delivery
- Weekly update meetings were taking place between the college and WFC, regarding the use of the centre facilities.
- An income and expenditure exercise was being completed to look at the impact of no further enrolments this year at the centre. While this would clearly have an impact on income, there was also a reduction in planned delivery and centre operation costs. The full detail of this would be discussed at the upcoming Finance & Estates Committee and was included in the figures previously discussed at item 4.

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

7.2 Institute of Technology

7.2.1 The COO provided an update on the progress on the Institute of Technology (IoT). He explained that:

- The capital funding agreement and licence were completed between the DfE and Transformational Technologies Partnership Limited (TTPL) on 4 December 2019. TTPL was a wholly owned subsidiary of Dudley College
- The capital funding agreement was currently for £16.47m, £0.4 m below the original bid, however the latest build cost had increased from the stage two application by £0.52m to £17.39m, resulting in a potential funding gap of £0.92m.
- Progress had been made with the justification of the higher cost to the DfE in order to increase the level of capital funding available to build the IoT building in Dudley. The team dealing with the IoT programme have indicated their support for our case, and have asked for some final pieces of information to help them present the case to their superiors, which they would recommend for approval. This information would have been forwarded to the DfE prior to the Corporation meeting.
- In the event that the full funding gap was not approved by the DfE, the College would mitigate this gap by cost engineering aspects of the build and fit-out to reduce the total cost to enable the project to proceed.
- Whilst site works commenced on the 24th February as planned, the Covid 19 situation had meant that the site was shut temporarily on the 3rd April as the health and safety requirements set out by government guidelines could not be met at that stage. Following detailed reviews, the necessary risk assessments had been completed, and the additional facilities, working practices and PPE, were now being put in place, and the site was due to re-open on the 11th May. Further costs would be incurred for these additional facilities and differing work sequencing. At present these were estimated to be in the region of £100k for the foreseen period of the Covid 19 lock down. These costs had been raised initially with the DfE to see if government support was available in this case.
- The closing of the site had delayed the programme by 6 weeks. The project team were currently holding detailed meetings with suppliers and contractors, to re-plan the

programme to agree new start dates, and secure materials, some of which had become difficult to source in the current climate, to ensure this delay was minimised to these 6 weeks, or even reduced.

- The College had also approached the DfE to seek an extension to the timescale of 31 March 2021 to spend the IoT capital funding as this deadline was now at risk following the Covid-19 delays. Most of the IoT projects approved in wave 1 were in a similar position. The DfE had said it would look at these requests sympathetically and the College strongly anticipated that the spend timescale would be extended given the circumstances.
- The purchase of the land had still not been completed, but the College was regularly chasing local authority officers for a response on the matter both directly and indirectly, but to little response at present. The College was however able to proceed on site under a licence provided by Dudley MBC prior to purchase.
- The planning conditions continued to be discharged with the landscaping, and the final information required prior to opening the building being the few major points remaining.
- Progress with completing the WMCA grant agreement had been made and the due diligence information requested by their consultant had been forwarded. The first draft of the grant did not fully reflect the heads of terms and agreed principles, but these would be resolved over the next few weeks with WMCA representatives before final legal drafting and review.
- The final insurances and contract for the construction of the IoT were almost complete. They were being reviewed to allow for the Covid 19 situation before signing.

7.2.2 In response to a request from the Chair, S Johnson provided clarification in relation to the amount of funding which had been agreed by the DfE. He confirmed that the costings had now been considered in detail by Quantity Surveyors on behalf of the DfE who had put forward a recommendation for approval of the full £17.39 million.

7.2.3 The Chair expressed the thanks of the board to S Johnson and the project team for their continued work on this project.

7.2.4 A more detailed update would be provided to the forthcoming finance and estates committee.

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

7.3 T Levels

7.3.1 The CE&P presented an update in relation to capital developments in preparation for the introduction of T-levels which noted that:

- The Government's continued support for the commencement of T levels this September was reinforced by the recent letter received from Gillian Keegan, Parliamentary Under Secretary of State for Apprenticeships and Skills. The letter acknowledged that some providers may not complete capital developments in time to start programmes in September given the Covid-19 outbreak, but were asked to complete developments and start the T Level programmes at the earliest opportunity in the new academic year.
- The project to convert part of the ADC building in Brierley Hill had been progressed and tenders had been issued to contractors, using a government approved framework, 'Pagabo' which had been considered the most appropriate route under the current Covid 19 situation, as most contractors able to carry out this size of project were limited in their ability to tender with current staffing and movement restrictions, and were therefore focusing on invitations to tender via frameworks rather than direct invitations to tender.

- A detailed health and safety information pack and method statements had been issued with tender invitations to ensure Covid 19 compliance would be reviewed by the team prior to recommending appointment.
- The current plan was to commence works at the end of May and complete at the beginning of September, however this was subject to review with contractors and the prevailing situation.
- The letter from Gillian Keegan also stated that the deadline for the application for 2021 T Level capital proposals had been deferred until 26 June 2020. The college would be submitting an application for 2021 T Level capital funding, and was currently putting together a feasibility study with costs to convert part of C floor of the Broadway building for provision of T Levels in Health Sciences from September 2021.

7.3.2 The CE&P noted that engagement activity was being undertaken with students who had applied to join these courses in September 2020 to keep them well prepared and reassured.

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

7.4 CAT Centre – unit 8

7.4.1 S Johnson provided a brief update on the proposed lease of Unit 8 at the Waterfront to support the continued growth of CAT Centre:

- Following receipt of the alternative offers from the agent for Unit 8, the College made the decision to progress with a straight lease of the property given the current circumstances.
- The College had contacted the agents with a request to lease the property at below the published market detailed rate.
- The agents had made a revised offer to accept a 5% deposit and rent free occupation until 2023 if the College would agree to buy unit 8, plus unit 4 and 5 currently occupied, all for £6.1m as a total package which would require payment of £5.79m in 2023.

7.4.2 S Johnson advised that a full proposal would be brought to finance and estates committee for further consideration and recommendation.

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

8 Date of Next Meetings

8.1 Ordinary Meeting (budget): Monday 22nd June 2020 at 4.00pm

9 Any Other Business

9.1 The Chair noted that a letter had been received from the FE Commissioner which was provided to members for information.

9.2 The Chair highlighted the DfE scheme for schools and colleges to apply for funding to become ‘demonstrators’ in the field of online learning. This was to develop a network of providers who had shown they could use technology effectively and had the capacity to help other schools and colleges to do the same. The CE&P agreed it may be helpful for the college to engage with this project as a beneficiary, to see what good practice could be learned.

The meeting closed at 17.15

Approved by the Corporation at its meeting on 7th July 2020.