

Minutes of the Corporation Development Event and meeting held on Friday 24th September 2021 at the Black Country & Marches Institute of Technology

Members Present: Katharine Clough
Nirmal Gupta
Charlie Harvey
Mollie-Amelia Hehir
Alison Hodge
Valerie Little
Suhail Rana
Neil Thomas (Chief Executive & Principal) (CE&P)
Tom Westley
David Whatton (Chair)
Andrew Woodford

In Attendance: Gill Darwood (Director of Corporate Governance) (DCG)
Louise Jones (Chief Finance Officer) (CFO)
Diana Martin (Vice Principal)
Kathryn Jones (Director of Human Resources)
Georgina Barnard (Managing Director of IoT)
Steve Johnson (Executive Director Estates & Capital Projects)
Carl Riding (Vice Principal)
Debbie Goode (Executive Director Marketing and Public Affairs)

1 Chair's welcome

- 1.1 The DCG noted that apologies for absence had been received from Ian Austin, Liam Butler, Wendy Davies, Jason Parker and Liz Sithole.
- 1.2 The Chair welcomed members to the meeting and emphasised the importance of the Corporation leading on strategic developments and working with the college leadership team in ensure that the college's provision met the needs of its learners and employers.

2 Strategic Plan review

- 2.1 The CE&P introduced this item as an opportunity to review progress to date against the Strategic Plan as well as consider the local and national changes since it was written, ahead of a planned update later in the term.
- 2.2 Members were also provided with a proposed 'Equality, Diversity and Inclusion Commitment' statement for their comments.
- 2.3 Members engaged in a group discussion to highlight areas where a heightened focus may be appropriate going forward to take into consideration the Education and

Skills Bill, impact of Covid, specific skills shortages or new areas of focus. Members then fed back their main discussion points which included:

- Engagement with employers, using intelligence to drive development, a more formal approach to horizon scanning, using LEP and LSIP to drive what we do to 'get ahead of the game'.
- Focus on renewable energy, investment in technology, research and development, logistics, internationalise the curriculum, bringing global economics into the curriculum.
- How informed are young people about the opportunities and changing landscape, careers strategy, destinations of learners and lifelong learning journey for all industries.
- Employer engagement set up - less focus on apprentices, more focus on industry placements.

2.4 The CE&P thanked members for their contribution and advised that a draft update to the Strategic Plan would be provided at a future meeting.

3 **Risk Management**

3.1 The CFO presented a suggested revised approach to risk management and invited members to consider the proposal and agree the principles for a revised college approach to risk management and the measurement of risk appetite.

3.2 Members' feedback included:

- It was possibly not feasible to have one risk appetite rating for a whole classification of risks, but would necessitate individual risk appetite being established.
- Members would welcome a high level review of the risk register at full Corporation – it was agreed that an update on the 12 key risks identified in the Strategic Plan should be reported to Corporation.
- Monitoring of risks should be allocated to specific committees (Standards, Finance & Estates), rather than the whole register being monitored only by Audit Committee.

3.3 The CFO thanked members for their contribution and explained that a formal proposal would be brought to audit committee for further consideration.

Item for approval

4 **LIBOR transition amendment agreement**

4.1 The CFO presented a proposal to move the College's loans from the current arrangement where the London Interbank Offered Rate (LIBOR) was used to calculate interest and other payments under one of our contracts with Santander.

4.2 The reason for this change was that the FCA had indicated that LIBOR would no longer be available from 1 January 2022, which was known as LIBOR cessation.

- 4.3 Sterling Overnight Index Average (SONIA) would be the new reference interest rate for sterling transactions for contracts across the banking and investment markets. SONIA was the effective overnight interest rate paid by banks for unsecured transactions in the sterling market. It had been operating since 1997 and was administered by the Bank of England. The difference between the two rates, was that LIBOR was based on predictions of interest rate activity, SONIA was based on historic actual interest rate activity.
- 4.4 The College had therefore been asked to sign a rate switch amendment agreement with Santander that moved the only college loan with a variable rate from LIBOR to SONIA. The CFO advised that the College had received support from Santander in understanding the agreement and advice from Shakespeare Martineau on the impact of the amendment agreement. The legal advice was that there was no additional risk or liability to the college in accepting this change. As SONIA had performed consistently at a lower rate than LIBOR, even with the application of the credit adjustment spread (CAS), it was anticipated that there would be minimal difference in interest cost to the college.
- 4.5 The CFO answered questions from members on points of detail and provided further clarification as necessary.
- 4.6 **It was resolved** To approve the College entering into the LIBOR transition agreement and to delegate authority for signing the agreement to D Whatton, Chair and N Thomas, Chief Executive & Principal.

5 **Business planning update**

- 5.1 D Martin provided a demonstration of the latest business planning tools, their use in monitoring live recruitment data and how this would be reported to Corporation going forward.
- 5.2 She explained the use of the curriculum planning tool, which calculated from the business plan the funding, staff costs and contribution of a programme so that it showed the level of efficiency of any given programme.
- 5.3 The curriculum plan fed directly into the website for course information and allowed curriculum managers to determine the marketing activity for the programme.
- 5.4 The curriculum plan monitoring tool accessed via Power BI enabled monitoring at a high level of each funding stream, average group size, contribution for an area and staff FTE for the planned curriculum.
- 5.5 The contribution could be rated red/amber/green so that those programmes that were not making the required contribution could be identified and allocation of staffing resources could be adjusted.
- 5.6 Members felt that the planned reporting frequency of twice per year should be reported to the full Corporation via the Finance & Estates Committee.

6. Safeguarding update

- 6.1 D Martin provided an overview of the updated 'Keeping Children Safe in Education' guidance and highlighted the key changes within the document. It was noted that there was enhanced accountability for governing bodies and proprietors threaded throughout the new document. It was noted that it was a requirement for all members of the governing body to be responsible for ensuring that all staff had an understanding of their safeguarding duties.
- 6.2 Members discussed the reporting of safeguarding to Corporation and concurred that the current reporting arrangements were effective. It was agreed that future safeguarding reports should incorporate a section to address safeguarding within partner organisations, short course provision and those hiring College facilities.
- 6.3 D Martin outlined the introduction of the Child Protection Online Management System (CPOMS) which was used for monitoring safeguarding, wellbeing and pastoral issues. This was an enhancement to existing safeguarding processes and allowed easy retrieval of data and information, making tracking of learners from previous providers, reporting and transfer of information quick and confidential. The system would also enhance the reporting available for safeguarding reports to the Corporation.
- 6.4 She explained the planned introduction of an online reporting tool for learners to enable them to report sexual harassment, abuse, bullying, cyber bullying, peer on peer abuse and violence. A report could be anonymous if the learner so wished, and D Martin stressed that any anonymous reports would be monitored and acted upon, and any patterns emerging would be followed up within a curriculum area.
- 6.5 D Martin noted that the College's safeguarding policy and related policies and procedures, including the policy on facilities hire, were currently being updated to reflect any required changes.

7 Board effectiveness

- 7.1 The DCG provided a presentation which detailed the implications on governance of the Education and Skills Bill, the Skills White Paper and the new AoC Code of Good Governance for English Colleges.
- 7.2 The Skills White Paper contained a section outlining measures for 'strengthening governance' many of which were reflected in the draft Code of Good Governance. These included expectations for development of board members and governance professionals and the requirement for a regular external governance review.
- 7.3 The revised Code of Good Governance had not yet been published, but the plan was to undertake an audit of compliance against the Code which would form the basis of an action plan for governance which would be brought back to the Corporation for monitoring. She noted that the Corporation would not need to report against the new code until 2022.
- 7.4 The DCG outlined the governor development opportunities available via the Education and Training Foundation Governance Development Programme and members were asked to log in to the programme using the access key provided,

complete the self assessment exercise and formulate a personal action plan to identify three online modules which they would undertake.

8 Management accounts

- 8.1 The CFO provided a presentation on a proposed new format for the management accounts. She explained that this was based on templates provided by the FE Commissioner team. The accounts contained a summary of headlines, current status, impact, RAG rating and changes from previous reports. The previously agreed KPIs would be included within the report for monitoring and would be highlighted with an asterix to denote those agreed for implementation with the FEC team.
- 8.2 T Westley noted that it would be helpful to receive a report on the best and worst performing areas in order to see the range of performance.
- 8.3 C Harvey noted that the parameters for the RAG rating would be set by the College and therefore could be adjusted by Corporation based on risk appetite.
- 8.4 Members felt it was a more inclusive document promoting understanding for non-financial governors. The frequency of updating some of the sections (ie. monthly, quarterly updates) would vary if the information did not change on a monthly basis.

9 Chair's closing remarks

- 9.1 The Chair highlighted to all members the need to consider succession planning in respect of a new chair from September 2022 in order to have a six month period of handover before the end of his own term of office.
- 9.2 The Chair thanked members for their contribution to the session, and members of the executive and the governance team for their support.

The meeting closed at 14.50hrs

Approved by the Corporation at its meeting held on 9th November 2021.