ESCG Board Meeting
MINUTES

Date	3rd July 2023	Time	13:00 – Pre-Meeting 13:45 – Break 14:00-16:00 – Meeting

Venue	Board Room (SP5119), Station Plaza, Hastings

Chair	Ian Mehrtens

Membership – Ian Mehrtens, Rebecca Conroy (CEO & Principal), Andy Davy, Alexandra Cheeseman, Aly Colman, Graham Cook, Becky Cooke, Charles Dudley, Ashley Heminway, Trista Jin, Priscilla Kendall, Catherine Manning, Gill Short, Angela Smith, Nicola Taylor, Carol Tomsett, Emel Yerlikaya

In Attendance – Hannah Caldwell (COO), Mark Wardle (Deputy – CEO & Principal), Nathan Haffenden (Director of Capital Development & Assets – *Pre-meeting*), Lakis Pavlou (Avison Young – *Pre-Meeting)*, Marilyn Hawkins (ETF Reviewer – *observer*), Paul Munden (IoD Reviewer – *observer*), Belle Howard (Director of Governance – *minutes*), Claire Alexander (Governance Assistant)

Apologies: Aly Colman, Trista Jin, Catherine Manning, Nicola Taylor

Virtual Attendees: Lakis Pavlou (Avison Young – *Pre-Meeting)*

Quorum: The meeting was quorate throughout.

#	Item	Action
PRE-MEETING DISCUSSION		
0	**ESTATE TRANSFORMATION PROGRAMME** **13:03** **A confidential discussion occurred.** **Lakis Pavlou and Nathan Haffenden left the meeting at 13:46. Governors took a short break, returning to the meeting at 14:00.**	
1.	**ROUTINE AND STANDING ITEMS**	
1.1	**WELCOME & APOLOGIES** **14:00** 1.1.1 The Chair of the Board opened the meeting at 14:00 with a warm welcome to colleagues. The Chair particularly welcomed Marilyn Hawkins (ETF) and Paul Munden (IoD), who would be observing the meeting as part of the external review of governance process. 1.1.2 Apologies were received and accepted from Aly Colman, Trista Jin, Catherine Manning & Nicola Taylor. Emel Yerlikaya was absent.	
1.2	**DECLARATIONS OF INTEREST** **14:01** 1.2.1 There were no new declarations received.	

#	Item	Action
1.3	**MINUTES OF LAST MEETING** 14:02	

1.3.1 Approval

- Governors considered the minutes from the last meeting on 27th March 2023.

- **Governors agreed that the minutes were a true and accurate record of what was discussed.**

#	Item	Action
1.4	**MATTERS ARISING** 14:03	

1.4.1 Governors considered the following actions from the last meeting:

Item	Owner	Action	Due Date
0.5.1	HC	Ensure that the risks and assumptions identified as output of the five-year financial planning process had also been incorporated into the Risk Register.	**Complete**
3.4.3.1	BH	Explore the feasibility of amending the Standing Orders to ensure representation from all three campuses at Eastbourne, Lewes and Hastings during the Student Governor election process in the Autumn Term.	**Complete**
5.1.2.1	MW	Explore the feasibility of reporting indicative RAG ratings within the Curriculum & Standards section of the next Executive Team Report.	**Complete** – this new format was introduced at the June 2023 C&S Committee meeting.
5.1.3.1	HC	Include forecast data within the Finance KPI section of the Executive Team Report moving forward.	**Complete**
5.1.4.1	HC/LC	Provide a breakdown of EDI data by campus, with a view to share this at the next People & Culture Committee meeting.	**Pending** – The HR system upgrade planned for 2023-24 would facilitate better reporting to be incorporated into reports to the new RC&I Committee next year.
5.1.4.2	HC/LC	Include staff vacancy data within the People & Culture KPI section of the Executive Team Report moving forward.	**Complete**
5.1.6.1	RC	Draft a report on Reputation & Brand, with a view to share an update at the next Search, Performance & Remuneration Committee and Curriculum & Standards Committee meetings in the Summer Term.	**Complete**
5.1.6.2	BH	Include 'Reputation & Brand Update' on the agendas for the next Search, Performance & Remuneration Committee and Curriculum & Standards Committee meetings in the Summer Term.	**Complete**

#	Item				Action
	Item	Owner	Action	Due Date	
	6.2.1.1	RC	Update the map on Page 6 of the Accountability Agreement Statement to include Newhaven.	**Complete**	
	10.2.1.1	BH	Explore options for increasing Governor participation in live meeting evaluation surveys.	**Complete**	

2. WRITTEN RESOLUTIONS

2.1		14:04

HASTINGS TOWN DEAL GREEN CENTRE OF EXCELLENCE PROJECT AT ORE VALLEY LEASE (18-19 NORTH RIDGE PARK)

2.1.1 The Board ratified the following written resolution, which had been approved effective 15th May 2023:

- **Further to the authority delegated by the Board to the Sub-Group appointed to make decisions on capital development projects, recommendation to authorise the CEO & Principal (or her delegate) to execute the signing of the lease for '17-18 North Ridge Park' on behalf of East Sussex College as part of the Hastings Town Deal Green Centre of Excellence Project at Ore Valley.**

2.1.2 Similarly, the Board ratified the use of the college seal in relation to the above document, which was signed on 18th May 2023.

3. MEMBERSHIP

3.1 MEMBERSHIP & RECRUITMENT UPDATE   14:05

3.1.1 Independent Governor Recruitment

- The Chair of the Board shared the following update:

  o There were currently 5 Independent Governor vacancies on the Board.
  o Work was ongoing to recruit additional Independent Governors and interviews had been scheduled throughout the summer break.

- **The Curriculum & Standards Committee Chair asked – was additional support required in identifying potential candidates from the Lewes area?** The Chair of the Board advised that a range of candidates had applied, at least one of which was local to the Lewes area. As such, further consideration would be given following the current round of recruitment activity.

3.1.2 Governor Resignations

- The Chair of the Board advised that four Governors had resigned in the Summer Term:

  o Penny Coppins – Staff Governor *(effective 10th May 2023)*
  o Mark Fisher – Independent Governor *(effective 16th May 2023)*
  o Carol Tomsett – Staff Governor *(effective – 31st August 2023)*
  o Gill Short – Independent Governor *(effective – 31st August 2023)*

#	Item	Action
	• **The Chair of the Board expressed particular thanks to Mark Fisher for his role as Finance Committee Chair and Gill Smith for her role of Curriculum & Standards Committee Chair, as well as their extended terms of office on the Board.** • **A Staff Governor asked – when would recruitment activity commence to address the current Staff Governor vacancies?** The Director of Governance confirmed that this would commence in the Autumn Term. • **A Student Governor asked – when would recruitment activity commence to address the current Staff Governor vacancies?** The Director of Governance also confirmed that this would commence in the Autumn Term. *3.1.3 Angela Smith – Term of Office* • The Chair of the Board shared the following update: o A recommendation had been received from the Search, Performance & Remuneration Committee to extend Angela's term of office for a second term. o Early approval had been requested from the Board to prevent a break in service between meetings. • **RESOLUTION – The Board agreed to approve an extension of Angela Smith's term of office as an Independent Governor for a second 4-year term, to run from 11.10.2023 to 10.10.2027.**	
3.2	**STAKEHOLDER ENGAGEMENT PANELS** **14:09** *3.2.1 Approach & Next Steps* • The CEO & Principal shared the following update: o Work was underway to develop the scope and approach for the Stakeholder Engagement Panels (SEPs) moving forward. o Careful consideration had been given to the college's relationship with each of its key internal and external stakeholders. o It was expected that these forums would continue to evolve, with an ongoing focus on linkages to the Local Skills Improvement Plan. o SEPs would commence from the next academic year, with panels to be held at Lewes, Eastbourne and Hastings. o Wherever possible and appropriate, existing Local College Board members would transition into the new SEP membership. Moving forward, emphasis would be placed upon ensuring representation from local employers, local schools and the local authorities. o Terms of Reference were currently being developed and the SEPs would be consulted on these in the Autumn Term. o Updates on key themes and issues arising from SEPs would be shared via Curriculum, Skills & Quality Committee meetings and periodically with the Board. • The following discussion then occurred: o **The Curriculum & Standards Committee Chair asked – who would be the Executive Leads for the SEPs?** The CEO & Principal advised that the SEPs would be led by the Vice Principal – Business Development, in collaboration with the Assistant Principal for each campus.	

#	Item	Action
	o **The Vice Chair of the Board (Resources & Operations) asked – what progress had been made in developing the membership for the SEPs moving forward?** The CEO & Principal advised that work was underway to confirm the membership for 2023-24, though some individuals who had previously been members of the Local College Boards had opted not to transition into the SEP membership moving forward.	
	o **A Governor asked – would the SEPs continue to have staff and student representation moving forward?** The CEO & Principal confirmed that there would be, though noted that further work was needed at the Lewes campus to identify potential members. This would be supported through establishing clearly defined member role descriptions.	
	o The Chair of the Board reflected that SEPs could provide a useful channel for identifying potential opportunities to enhance the apprenticeship provision. Additionally, SEPs could also potentially provide an additional pathway for Independent Governor Recruitment. Governors agreed.	
3.3	**STUDENT VOICE** **14:14**	
	3.3.1 Student Governor Update	
	• A Student Governor directed participants to the supporting paper and shared the following update:	
	o **Student Wellbeing & Mental Health** – there appeared to have been an increase in demand for student wellbeing support.	
	o **First Aiders** – additional resource may be required at the Hastings campus.	
	• The following discussion then occurred:	
	o The Deputy (CEO & Principal) advised that work was currently underway to significantly increase student wellbeing support. This was being achieved through a transition away from a central provision to the allocation of resource within each curriculum area and thereby ensuring more targeted and direct support for each student.	
	o The CEO & Principal advised that first aider training was currently being planned by the Health & Safety Team, which would increase the number of available first aiders on site.	
	o **A Student Governor asked – would a security resource also be put in place at the Ore Valley site from the Autumn Term?** The CEO & Principal advised that the college had continued to shift away from the use of security resources and where appropriate, these had been replaced with Campus Support Officers.	
	o The Curriculum & Standards Committee Chair noted that many of the safeguarding related issues had also been addressed in the Annual Safeguarding Report.	
	o **The Audit, Risk & Compliance Committee Chair noted that Wi-Fi issues at the Lewes campus had been highlighted in the Student Governor Report and asked – what plans were in place to address this?** The Chief Operating Officer advised that there had been some improvement in connectivity between buildings, though noted that further work was needed to explore this issue in depth.	

#	Item	Action
	o **A Governor asked – were students able to log IT issues themselves?** A Staff Governor confirmed that students were able to log IT issues via the self-service portal, however, there was currently limited onsite support at the Lewes campus. The CEO & Principal advised that the student induction process would also be used to inform students on the process for logging any IT issues.	
	o **The Chair of the Board asked – could a report on the broader Wifi issues across the college group be provided to the Board at its next meeting?** The Chief Operating Officer confirmed that this was feasible.	
	▪ **Action 3.3.1.1 – Provide a cross-campus update on the college's WiFi provision to the Board at its next meeting.**	HC
	o Governors noted the Student Update Report, which also outlined a number of successes and positive student experiences over the last academic year.	
4.	**GOVERNANCE MATTERS**	
4.1	**EXTERNAL REVIEW OF GOVERNANCE UPDATE** **14:26** *4.1.1 Extraordinary Chairs Group Meeting* • The Chair of the Board shared the following update: o An Extraordinary Chairs Group meeting had been scheduled for **20th July 2023, 14:00-15:30**, which would be a virtual meeting. o All Governors were invited to attend this meeting to hear an update on the findings as output of the External Review of Governance.	
4.2	**GOVERNANCE IMPROVEMENT UPDATE** **14:27** *4.2.1 Progress Update – Governance Improvement Plan* • The Director of Governance shared the following update: o The Governance Improvement Plan (GIP) was previously approved by the Board in the Autumn Term 2022. o Summary progress updates had been provided with RAG ratings and commentary for each objective, following input from committees with oversight responsibilities. o The GIP would be refreshed as output of the External Review of Governance process and the Strategy Day that had been scheduled for 13th October 2023. o This would also continue to be a standing agenda item for any associated committees. • The Vice Chair of the Board (Resources & Operations) reflected that the action item related to 'Excellent College Reputation' required additional focus. The Chair of the Board explained that reputation would form part of the scope of the Governance, Performance & Reputation Committee moving forward. An initial update on Brand & Reputation had recently been shared at the Curriculum & Standards Committee and a further report was expected in the Autumn Term.	

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- The CEO & Principal clarified that 'Excellent College Reputation' had been RAG rated as **Amber**, not due to a fall in reputation, but due to the need for additional governance focus on this area.

- The CEO & Principal reflected that the newly established Stakeholder Engagement Panels, along with staff and student surveys, would provide useful mechanisms for monitoring and oversight of the college's reputation moving forward. Furthermore, the college was currently working with sector experts, who were conducting an internal review of the college's marketing and communications processes, with a view to develop the college's brand and message.

- The Curriculum & Standards Committee Chair reflected that it would also be important to ensure engagement with the Capital Development Board regarding the college's reputation, particularly in the context of the Stakeholder Engagement Plan related to the Estate Transformation Programme. Governors agreed.

4.2.2 Skills Audit Results – 2023

- The Director of Governance shared the following update:

  o The recent Skills Audit result had identified several key themes and Governor training opportunities, as detailed in the associated paper. This would inform the Governor Development Programme for 2023-24.

  o Key priority Governor training needs included:

    - College finances and funding methodology
    - Health & Safety
    - Large capital building projects
    - Property disposals

  o This would be reflected in Governor Development Plan for 2023-24, which would shortly be drafted in readiness for the Autumn Term. Individual Skills Audit Results would also be shared with Governors, to remind them of their submissions and inform individual development needs.

  o The output of the Skills Audit had also influenced the approach for ongoing Independent Governor recruitment efforts, for which the following areas had been prioritised:

    - Knowledge of the Lewes local area, ideally with an existing network within local industries and/or relationships with key community stakeholders.
    - Expertise in audit, risk and compliance.
    - Financial management expertise, particularly with a specialism in FE (including an understanding of funding systems).
    - Expertise in complex capital and infrastructure projects.

- The following discussion then occurred:

  o The Chair of the Board noted that 'Quality Strategy' had not been included in the list of priority training needs, but had been identified as a skills gap in the survey. The Director of Governance clarified that the priority training needs that had been captured related to those areas for which Governors had specifically requested additional learning support. That said, where any significant skills gaps had been identified, these would also be incorporated into the training plan.

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o The Curriculum & Standards Committee Chair also advised that Governors were routinely invited to attend the annual pre-meeting discussion on the Quality Improvement Plan and Self-Assessment Review in the Autumn Term, which provided a useful opportunity for Governors to extend their knowledge in this important area. Governors agreed.

o The Director of Governance also noted that plans were underway with the Executive Team to establish bitesize learning resources on key knowledge areas related to college business, such as Finance, Audit and Curriculum.

o The Chair of the Board suggested that it would be helpful to complete a further Skills Audit in the Summer Term of 2024, to assess progress and improvement. Governors agreed.

o The CEO & Principal suggested that the reintroduction of learning walks and Governor visits more broadly in the Autumn Term would also provide further opportunities for Governors to deepen their knowledge. Governors agreed.

o **Action 4.2.2.1 – Develop a Governor Learning & Development Programme for 2023-24, which serves to address priority Governor training needs and extends opportunities for Governors to participate in learning walks and campus visits.** **BH**

o **Action 4.2.2.2 – Develop individual Governor training and development plans for 2023-24.** **BH**

4.3 GOVERNANCE STRUCTURE 2023-24 14:40

4.3.1 ESCG Board Context & Scope

- The Director of Governance explained that a Board Context & Scope summary had been developed to ensure alignment with the approach and format that had been adopted for all committees. It would provide a useful resource to support Governor induction and training.

- There were no questions from Governors.

- **RESOLUTION – The Board agreed to approve the ESCG Board Committee Context & Scope.**

4.3.2 Committee Terms of Reference

- The Director of Governance shared the following update:

  o Extensive work had been completed in the Summer Term to develop Committee Terms of Reference for 2023-24.
  o A more consistent format had been introduced and simplified language utilised throughout.
  o Input was initially received from the Executive Team and Committee Chairs.
  o The terms of reference were then carefully scrutinised by all committees and subsequently recommended for approval by the Board, subject to any agreed amendments.

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- The Chair of the Board advised that the Committee Terms of Reference would be revisited in the Summer Term 2024, to ensure that they remained fit for purpose.

- **RESOLUTION – The Board agreed to approve the following Committee Terms of Reference:**

  - **Audit, Risk & Compliance Committee**
  - **Capital Development Board**
  - **Curriculum, Skills & Quality Committee**
  - **Governance, Performance & Remuneration Committee**
  - **Resources, Culture & Impact Committee**

4.3.3 Cycle of Business

- The Director of Governance shared the following update:

  - A new format approach had been developed, which would simplify agenda setting and meeting planning, enable greater committee level approval of policies and key documents and thereby free up additional Board discussion time.
  - The cycle of business had been considered by both the Executive Team and all committees and subsequently recommended for approval by the Board.

- There were no questions from Governors.

- **RESOLUTION – The Board agreed to approve the Cycle of Business for 2023-24.**

4.3.4 Schedule of Meetings

- The Director of Governance shared the following update:

  - The schedule more clearly indicated the location and format of each meeting.
  - All meeting timings had been aligned to the latter part of the day.
  - A decision would follow shortly on whether the practice of joint Audit, Risk & Compliance and Resources, Culture & Impact Committee meetings would continue moving forward.

- The following discussion then occurred:

  - The Chair of the Board advised that Committee Chairs would have the opportunity to amend any planned virtual meetings to be held in person, if desired. The timing of meetings would also be monitored across the next year to ensure suitability.

  - **A Student Governor asked – were hybrid meetings being discontinued?** The Director of Governance advised that with the exception of Audit, Risk & Compliance Committee meetings (where Internal and External Audit would be able to join virtually), hybrid meetings were being discontinued.

- **RESOLUTION – The Board agreed to approve the Schedule of Governance Meetings for 2023-24.**

#	Item	Action
	4.3.5 Committee Membership 2023-24	
	• The Chair shared the following update:	
	○ Committee membership for 2023-24 had been rebalanced to ensure more even distribution of Staff and Student Governors. ○ Consideration had also been given to oversight of student voice in all committees. ○ None of the committees planned for 2023-24 currently had Co-opted Members within their membership.	
	• The Chair of the Board clarified that the CEO & Principal and Chair of the Board would only attend Audit, Risk & Compliance meetings by invitation.	
	• There were no questions from Governors.	
	• **RESOLUTION – The Board agreed to approve the proposed Committee Membership for 2023-24.**	
	4.3.6 Special Interest Governor Roles	
	• The Director of Governance shared the following update:	
	○ Governors had indicated their specialist areas of interest as part of the Skills Audit Survey. ○ This had been shared with the Executive Team to leverage support as needed.	
	• **Governors noted the list of Special Interest Governor roles.**	
5.	**EXECUTIVE ITEMS**	
5.1	**EXECUTIVE TEAM REPORT** **14:48**	
	5.1.1 Introduction	
	• The CEO & Principal shared the following introductory comments:	
	○ **Recruitment 2023-24** – applications were up +8% year on year.	
	○ **Annual Strategic Conversation** – this had been scheduled with the Education & Skills Funding Agency (ESFA) for 5th July 2023, which was expected to include a briefing on the key elements of FE reform.	
	5.1.2 Curriculum & Standards	
	• The Deputy (CEO & Principal) shared the following update:	
	○ **Curriculum Reform** – an update was shared on key reforms at the recent Curriculum & Standards Committee meeting, which focussed on significant changes in the A Level and T Level provision, as well as courses proposed for withdrawal by the DfE.	

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- o **Key Performance Indicators** – progress continued to be made, though the following areas had either been RAG rated as **red** or were of particular concern:

    - **Apprenticeship Achievement Overall** – the current prediction for 2022-23 was 54%. Key drivers related to redundancy, resignation, and issues for some students in accessing their end point assessments. Work was underway to enhance the college's delivery model and use of assessors.
    - **Attendance Overall** – currently trending at 85%, which was below the annual target of 90%. This continued to be a challenging area to address, with ongoing focus on improving student wellbeing support via the Wellbeing Progression Team.
    - **16-18 English & Maths Attainment** – 83% prediction for 2022-23, however, the college was currently expected to perform above the national average.
    - **Work Experience Target** – currently trending at 64%; significantly below the annual target of 95%. Moving forward, Curriculum Teams would be further supported in helping students to identify work experience placements.

- o The British Council Inspection was conducted at the Lewes campus in May 2023, which was very successful with positive initial feedback.

- o **Learner Voice** – the Student Exit survey had been undertaken with all curriculum teams. Overall, the results showed improvements, particularly in terms of key focus areas – British Values and Prevent.

- The following discussion then occurred:

  - o The Vice Chair of the Board (Curriculum & Student Experience) reflected on a recent Course Review meeting, where it had been evidenced that staff clearly knew and understood the needs of their students, which were often complex. Many students continued to be impacted by the aftermath of the Covid-19 pandemic.

  - o **A Governor asked – does the college have detailed data on the key drivers for student absence?** The Deputy (CEO & Principal) confirmed that this information was routinely consolidated and there were often a myriad of drivers related to poor attendance levels. That said, despite attendance levels continuing to trend below target, attainment was generally solid.

  - o The CEO & Principal advised that the college continued to work closely with East Sussex County Council, who routinely alerted the college of instances where students had displayed particularly poor levels of school attendance. This enabled early support to be put in place at the point of transition to the college. The college also continued to partner with local schools in inspiring students and ensuring an exciting start to their college journey.

  - o A Staff Governor celebrated the recent decision to reintroduce course level wellbeing support to students and reflected that this would likely have a positive impact on student engagement and thereby attendance levels.

  - o The Curriculum & Standards Committee Chair reflected on the 'work from home' culture that had arisen as a result of the Covid-19 pandemic, which had likely resulted in students mirroring this behaviour and expressing a preference for an online learning provision. The Deputy (CEO & Principal) noted that a range of student engagement strategies continued to be employed by the college, though explained that a hybrid learning offer was difficult to facilitate.

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- A Governor asked – does the college hold data on the additional enrichment activities that students participate in, such as Saturday jobs? The Deputy (CEO & Principal) advised that this information was not currently being consolidated. However, the CEO & Principal explained that whilst this was a useful data point, there were certain funding restrictions that would need to be addressed before these types of additional roles could be considered from a work experience perspective.

- The Audit, Risk & Compliance Committee Chair asked – was there more that the college could be doing to promote the importance of education to its students? The CEO & Principle explained that the induction process was a useful mechanism for inspiring students at the start of their college journey.

- A Governor asked – were there a number of students still on roll, who were unlikely to return, but were detrimentally impacting attendance data? The Deputy (CEO & Principal) noted that this may be the case, but advised that all efforts would continue to be exhausted to re-engage students wherever possible.

- A Governor considered the Student Exit Survey and noted that there had been a 17% increase in response to the statement *'I would recommend the college'* and asked – what were the drivers of this significant uplift? The Deputy (CEO & Principal) clarified that there had been a change to the survey format from a 'range' response to a direct 'yes/no' answer for this particular question. 94% of respondents had responded positively to this question. The Chair of the Board reflected that changes to the survey format, made it difficult to compare year on year, so it was important to indicate any changes in the report. Governors agreed.

Claire Alexander left the meeting at 15:04.

5.1.3 Finance & Risk

- The Chief Operating Officer shared the following update:

  - **Key Performance Indicators** – priority focus RAG ratings as follows:
    - **Staff Costs as a % of Income** – trending at 67.23% (against a target for 2022-23 of 62%) and was directly linked to a fall in income.
    - **Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA)** – trending at 6.45%, which was below the 9.98% target.
    - **Total Income** – current forecast of £47.3m, which was below target for 2022-23, and primarily related to the underperformance of apprenticeships and adult education.
    - **Non-Pay Costs** – trending at £16.7m, this had exceeded the annual target of £15.2m, due to increased operational and maintenance costs (including utilities). This continued to be closely monitored.

  - **Reclassification & Managing Public Money (MPM)** – a formal submission had now been made to the ESFA to provide assurance that the college was complying with MPM requirements. The submission was a 'nil' return as there were no transactions that needed to be declared. However, a commitment was made to the ESFA to update the College Financial Regulations to outline how the college meets its MPM obligations.

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	○ **Risk Register** – the gross risk level related to cyber-attack had been increased, due to increased probability of incidents following the reclassification of the FE sector. There were currently five items on the register that had been rated '**amber**'. ○ **Internal Audit** – 9 high, 21 medium and 49 low priority management actions had been raised as output of the 2022-23 audit programme. Finance remained an area of concern, with high priority management actions arising from the Budgeting and Financial Controls audits, which particularly focused on findings from previous years that had not yet been sufficiently addressed. - The Audit, Risk & Compliance Committee Chair shared the following update: ○ Whilst good progress had been made in closing some key management actions this year, an **amber**/**red** internal audit opinion had been provided for 2022-23. ○ This remained the same rating as the prior year and was in line with just 15% of other colleges within the sector. However, Internal Audit had recognised that there had been some improvement year on year. ○ Targeted focus was now needed to address this position for 2023-24. ○ The Budgeting & Financial Planning Audit had raised concerns related to budgeting assumptions being overly brief and because a Five-Year Financial Plan had been outstanding at the point of the audit. A **partial assurance** rating had been achieved for this audit. ○ The Key Financial Controls audit had received a split opinion, with **minimal assurance** as regards to management of fixed assets and **reasonable assurance** for the other areas included within the scope of the audit, i.e. general ledger, procurement and payments. Internal Audit had determined that further work was needed to enhance the depreciation methodology utilised by the college. ○ The Audit, Risk & Compliance Committee had also raised concerns regarding the level of resource within the Finance Team, particularly in light of the additional challenges presented by the recent reclassification of the FE sector, and due to the complexities that arose from the Estate Transformation Programme. The Committee met with the Chief Operating Officer to explore these concerns and assurance was received that there was adequate resource in place, with appropriate levels of contingency. **The Chair of the Board thanked the Audit, Risk & Compliance Committee Chair for sharing this comprehensive update and the committee for its ongoing oversight of this priority focus area for the college.** - The Chief Operating Officer shared a brief update on **Capital Funding** and advised that a summary of capital funding bid submissions and subsequent allocations had been detailed within the Draft Final Budget paper. This included a breakdown by category and campus. - The following discussion then occurred: ○ The Vice Chair of the Board (Resources & Operations) expressed concern regarding the limited contingency, particularly with regards to significant pressure on cashflow anticipated in the next academic year. Governors agreed.	

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	○ The Chief Operating Officer noted that priority focus areas continued to be delivery against the adult education and apprenticeship provisions. Whilst the college remained below its 100% delivery target, significant progress had been made year on year in growing these provisions and opportunities for further growth would continue to be leveraged moving forward. ○ **The Chair of the Board considered the commentary in the Executive Report – *'overall, the forecast of annual income is now £1.1m higher than the revised budget figure'*, whilst noting that the KPI summary in the same report indicated that the overall income was currently trending below target, and asked – can you clarify?** The Chief Operating Officer explained that the target related to the original budget position, which created a variance in the KPIs when the budget was revised. However, this could have been made clearer in the report. *5.1.4 People & Culture* • The Chief Operating Officer shared the following update: ○ **Key Performance Indicators** – priority focus RAG ratings as follows: ▪ **Mandatory Training Completion** – trending at 86.3%, against a 100% target. Work was underway to make mandatory training more accessible to staff through a programme of face-to-face delivery in 2023-24. Similarly, managers continued to track progress of training completion for their respective staffing groups. ▪ **Apprenticeship Levy Deployment** – trending at 18.4%, against a 25% target. This continued to be a challenging area across the FE sector and there remained ongoing focus on this at the college. ○ A new HR system would shortly be implemented, enabling more comprehensive data and reporting on vacancies, recruitment and staff turnover. ○ **Green Centre of Excellence** – a site visit and tour with the Town Deal Board and Hastings Borough Council officers was hosted in late May 2023, which was well received. A subsequent follow-up was also facilitated with the Hastings Member of Parliament, which received similar feedback and willingness to support.	
6. STRATEGIC ITEMS		
6.1	**CAPITAL DEVELOPMENT PROGRAMME** 15:21 *6.1.1 Estate Transformation: Commercial Advice Recommendation* • Further to the earlier pre-Board discussion, Governors noted the following: ○ The outcomes of the Stage 1 Report from Avison Young, setting out delivery and procurement options for the Estate Transformation Programme. ○ The support and endorsement from the Capital Development Board and Finance Committee in relation recommended approach.	

- **RESOLUTION – The Board agreed to:**

  - **Approve the recommended Option 3 (*enter into a Development Agreement with a Development Partner*) as set out in the report, subject to due diligence and funding.**
  - **Approve the recommended procurement option of a 'Competitive Procedure with Negotiation', as set out in the report.**

6.1.2 South East Institute of Technology – Construction Approval

- Governors noted the progress made on the delivery of the new Institute of Technology at the Hastings Ore Valley campus.

- The Chief Operating Officer advised that the target completion date for the project was October 2023, which would require some final decisions to be taken over the summer break.

- The Chair of the Board reminded Governors that an approval in principle had previously been provided by the Board to proceed with the project.

- **RESOLUTION – The Board agreed to authorise the CEO & Principal to progress the project through the remaining DfE gateways and to award a contract to deliver the construction works in accordance with the approved project, funding parameters, and College Financial Regulations, subject also to undertaking the necessary legal due diligence.**

6.2	**COMMITTEE RECOMMENDATIONS** **15:25**	

6.2.1 Key Performance Indicator Targets – 2023-24

- The CEO & Principle shared the following update:

  - The proposed KPIs for 2023-24 had previously been considered by all Committees during the Summer Term.

  - There had been limited changes made to enable consistency of reporting and ongoing comparison year on year.

- The following discussion then occurred:

  - **The Audit, Risk & Compliance Committee Chair considered the *'Total Borrowing as a % of Income'* metric and asked – was this metric now redundant following the recent reclassification of the FE sector?** The Chief Operating Officer clarified that the reclassification meant that colleges were no longer able to enter into new commercial borrowing arrangements. However, this metric remained relevant for those existing borrowing arrangements that the college continued to have in place.

  - The Chair of the Board noted that the target for the Curriculum KPI metric *'% Students feel safe'* had been increased to 100%.

  - **The Chair of the Board asked – can you clarify whether the 'Staff Recruitment – Time to Fill Rate' included notice periods?** The Chief Operating Officer committed to confirm this.

    - **Action 6.2.1.1 – Provide further details on how the 'Staff Recruitment – Time to Fill Rate' KPI metric is calculated.**

	HC

#	Item	Action
	• **RESOLUTION – The Board agreed to approve the Key Performance Indicator Targets for 2023-24.** **6.2.2 Subcontracting & Partnership Arrangements – 2023-24** • Governors noted that the paper on Subcontracting & Partnership Arrangements had previously been considered by the Curriculum & Standards Committee and the Finance Committee. • The Chief Operating Officer advised that the value of subcontracting arrangements continued to decrease per the existing strategy, with the college retaining just one subcontractor able to recruit new intake. • The following discussion then occurred: o **A Governor asked – was this subcontractor both stable and reliable?** The Chief Operating Officer confirmed that this subcontractor was a very strong provider who offered a particularly niche provision that the college would not otherwise be able to provide to students. o **The Chair of the Board noted a large variance between the estimated funding outturn for 2022-23 and the projected funding outturn for 2023-24 for one of the rundown subcontractors and asked – can you clarify?** The Chief Operating Officer explained that the projection had been aligned with those learners who were due to complete their apprenticeship within the next academic year and as such the associated funding was in place to support any end point assessment activity. o The Chief Operating Officer advised that the college had recently completed its Subcontracting Standard Audit and a particularly positive report was expected as output of this process. • **RESOLUTION – The Board agreed to approve the Subcontracting & Partnership Arrangements for 2023-24.** **6.2.3 Internal Audit Programme – 2023-24** • Governors noted that the Internal Audit Programme for 2023-24 had previously been considered by the Audit, Risk & Compliance Committee. • **The Chair of the Board considered the schedule of audits and noted that the HR Review was scheduled to take place prior to the implementation of key updates to the HR system and asked – should this audit be deferred?** The Chief Operating Officer advised that Internal Audit were keen to ensure a more even distribution of audit activity across the next academic year. It was anticipated that the HR system implementation would include a range of enhancements, but the core functionality would remain the same. As such, it may be feasible to proceed with the proposed schedule. o **Action 6.2.3.1 – Validate whether the HR Review audit schedule needed to be amended to accommodate the timeline for HR system implementation.** • **RESOLUTION – The Board agreed to approve the Internal Audit Programme for 2023-24.**	 **HC**

#	Item	Action

6.2.4 External Audit Programme – 2023-24

- Governors noted that the External Audit Programme for 2023-24 had previously been considered by the Audit, Risk & Compliance Committee.

- The Chief Operating Officer advised that the materiality of income benchmark had been reduced from 2% to 1.5% for 2023-24, at the request of the Audit, Risk & Compliance Committee.

- **RESOLUTION – The Board agreed to approve the External Audit Programme for 2023-24.**

6.2.5 Climate Action Group Oversight

- Governors noted that the paper on Climate Action Group Oversight had previously been considered by the Search, Performance & Remuneration Committee.

- **RESOLUTION – The Board agreed that oversight of the Climate Action Group would be assigned to the Resources, Culture & Impact Committee from the Autumn Term 2023.**

6.2.6 Draft Final Budget – 2023-24

- Governors noted that the Draft Final Budget had previously been considered in depth by the Finance Committee.

- Further to revisions made subsequent to its last meeting, the Finance Committee had universally agreed to recommend the updated Draft Final Budget to the Board for approval.

- The Chief Operating Officer outlined key headlines, including:

  o The draft 2023-24 budget had been completed as part of the business planning process within the business planning timeline.

  o Overall income, pay and non-pay was expected to be higher in 2023-24, compared to the forecast outturn for 2022-23.
  o Budgeted income was in line with ESFA funding allocations received for 2023-24.
  o Budgeted pay had been based on a defined establishment list, expected curriculum delivery and included provision for a pay award.
  o Budgeted non-pay had taken into account inflationary increases and mitigated risk around utility costs.
  o Key assumptions and risks linked to the draft budget had also been outlined.

- The following discussion then occurred:

  o The Vice Chair of the Board (Resources & Operations) noted that the proportion of young people funded for a high needs place remained low compared to other colleges. The Chief Operating Officer advised that work was underway in collaboration with Bexhill College and Plumpton College to develop a case, with a view to address this gap with the local authorities.

#	Item	Action
	o **The Vice Chair of the Board (Resources & Operations) considered the college's international provision and asked – were there significant challenges for international students in securing their study visas and thereby creating associated risks for the provision?** The CEO & Principal advised that the Director of International continued to take proactive steps to future proof the international budget and proactively work to mitigate key risks. The Deputy (CEO & Principal) also noted that there would be longer term opportunities that would arise from the college's relationship with the University of East Anglia as its validating partner, particularly with regards to the higher education provision. • **RESOLUTION – The Board agreed to approve the Draft Final Budget for 2023-24.** **Becky Cooke temporarily left the meeting at 15:44.** *6.2.7 Five Year Financial Plan* • Governors noted the draft Five-Year Financial Plan. • The Chair of the Board advised that this would be further revised as output of the Strategy Day 2023 when a detailed discussion on the college risk appetite was due to take place.	
6.3	**COLLEGE FINANCIAL FORECASTING RETURN (CFFR)** 15:45 6.3.1 The Chief Operating Officer shared the following update: • The CFFR was a multi-year financial model covering a three-year period that was due for submission to the ESFA at the end of July 2023. • As well as the annual requirement, the submission included additional information related to the restructuring facility previously received at the point of the college's merger in 2018. • The submission reflected key changes to EBITDA, a reduced surplus position, increased non-pay costs and the proposed pay award for 2023-24. • Whilst these changes had detrimentally impacted the college's financial health grade to 'Requires Improvement', it was not anticipated that additional intervention from the ESFA would be required. 6.3.2 The following discussion then occurred: • The Audit Risk & Compliance Committee Chair reflected that a deterioration in the college's financial health was of concern and suggested that careful consideration needed to be given on how this would be addressed. Governors agreed. • The Chair of the Board suggested that this should be raised as a priority discussion item at the first meeting of the Resources, Culture & Impact Committee. Governors agreed. o **Action 6.3.2.1 – Include 'Financial Health Grade' on the agenda for the first Resources, Culture & Impact Committee meeting of the Autumn Term.** • **RESOLUTION – The Board agreed to approve the College Financial Forecasting Return Report for 2023.** **Becky Cooke returned to the meeting at 15:50.**	 BH

#	Item	Action
7.	**ANNUAL REPORTING**	
7.1	**ANNUAL SAFEGUARDING & PREVENT REPORT** **15:50** 7.1.1 Governors noted that the Annual Safeguarding Report had been considered by the Curriculum & Standards Committee at its last meeting. 7.1.2 The following discussion then occurred: • **A Governor noted that several members of staff were currently on the waiting list for Designated Safeguarding Lead (DSL) training and asked – did this present a significant risk for the college?** The CEO & Principal advised that the college continued to have a high proportion of staff who had already completed their DSL training, so the risk was relatively minimal. • The Curriculum & Standards Committee Chair advised that the Safeguarding Link Governor Designate had already completed their safeguarding training. • **RESOLUTION – The Board agreed to approve the Annual Safeguarding Report.**	
8.	**CONSENT AGENDA**	
Approval		
8.1	**POLICIES & KEY DOCUMENTS** **15:52** 8.1.1 Governors considered the following policies, noting the Policy Change Summary sheet, which outlined key changes made and followed comprehensive committee level review and scrutiny. • **RESOLUTION – The Board agreed to approve the following policies:** ○ **Complaints Policy** ○ **Disposal of College Assets Policy** ○ **General Data Protection Regulation (GDPR) Policy** ○ **Governor Recruitment & Succession Policy** ○ **Health, Safety & Welfare Policy** ○ **Instrument & Articles** ○ **Risk Management Policy & Framework** ○ **Safeguarding & Prevent Policy** ○ **Scheme of Delegation** ○ **Standing Orders** ○ **Student Support Funds Policy** ○ **Student Union Constitution** ○ **Subcontracting & Supply Chain Policy** ○ **Treasury Management Policy** • **RESOLUTION – The Board also agreed to adopt the Governor Code of Conduct.**	
Committee & Local College Board Meeting Minutes		
8.2	**CAPITAL DEVELOPMENT BOARD** **15:53** 8.2.1 Governors noted the minutes of the following meetings: • 29th March 2023 • 3rd May 2023 • 14th June 2023 8.2.2 There were no Governor questions.	

#	Item		Action
8.3	**CHAIRS GROUP**	**15:53**	
	8.3.1 Governors noted the minutes of the meeting on 27th April 2023.		
	8.3.2 There were no Governor questions.		
8.4	**LOCAL COLLEGE BOARDS**	**15:53**	
	8.4.1 Governors noted the minutes of the following Local College Board meetings: • Lewes – 15th May 2023 • Hastings – 16th May 2023 • Eastbourne – 28th March 2023 & 23rd May 2023 8.4.2 There were no Governor questions.		
8.5	**PEOPLE & CULTURE COMMITTEE**	**15:53**	
	8.5.1 Governors noted the minutes of the meeting on 17th May 2023.		
	8.5.2 There were no Governor questions.		
8.6	**SEARCH, PERFORMANCE & REMUNERATION COMMITTEE**	**15:53**	
	8.6.1 Governors noted the minutes of the meeting on 25th May 2023.		
	8.6.2 There were no Governor questions.		
8.7	**AUDIT RISK & COMPLIANCE COMMITTEE**	**15:53**	
	8.7.1 Governors noted the minutes of the following meetings: • 7th June 2023 • 22nd June 2023 – *Extraordinary meeting* 8.7.2 Governors noted the ONS Reclassification Bitesize Guides and 'Dear Accounting Officer' Letter, per the requirements of the ESFA. The Chief Operating Officer explained that this guidance outlined specific requirements related to asset disposal and commercial borrowing. 8.7.3 There were no Governor questions.		
8.8	**FINANCE COMMITTEE**	**15:53**	
	8.8.1 Governors noted the minutes of the meeting on 15th June 2023.		
	8.8.2 There were no Governor questions.		
8.9	**CURRICULUM & STANDARDS COMMITTEE**	**15:53**	
	8.9.1 Governors noted the minutes of the meeting on 19th June 2023.		
	8.9.2 There were no Governor questions.		

#	Item	Action
9.	**OTHER MATTERS**	
9.1	**ANY URGENT MATTERS** 15:54 9.1.1 The Chair of the Board thanked Mark Wardle – Deputy (CEO & Principal) for his service, having attended his final meeting of the Board. 9.1.2 The Chair also thanked Gill Short and Carol Tomsett, who would be standing down from the Board at the end of the summer.	
9.2	**DATE OF NEXT MEETING** 15:55 9.2 Governors noted that the next meeting was scheduled for **16th October 2023, 14:00-17:00.**	
9.3	**LIVE MEETING EVALUATION** 10.5.1 Four survey responses were received from Governors:	

#	ASSESSMENT QUESTION	RESULT
1.	Did the agenda and papers arrive seven days in advance?	**100%**
2.	Were the agenda and papers written with clarity?	**100%**
3.	Were the issues considered at the meeting appropriate?	**100%**
4.	Did you have all the information you needed to fully participate in the discussion and decision?	**100%**
5.	Was sufficient time available for thorough debate?	**100%**
6.	Were you satisfied that the decisions were arrived at in a proper manner?	**100%**
7.	Were you able to express your views?	**100%**
8.	Was the meeting chaired effectively?	**100%**

#	Item	Action
9.4	**CLOSE** 15:55 **9.4.1 The first part of the meeting closed at 15:55.** **9.4.2 All non-Independent Governors left the meeting, with the CEO & Principal and Director of Governance also remaining in attendance, along with the External Reviewers.**	

Action Summary

Item	Owner	Action	Due Date
3.3.1.1	HC	Provide a cross-campus update on the college's WiFi provision to the Board at its next meeting.	16th October 2023
4.2.2.1	BH	Develop a Governor Learning & Development Programme for 2023-24, which serves to address priority Governor training needs and extends opportunities for Governors to participate in learning walks and campus visits.	16th October 2023
4.2.2.2	BH	Develop individual Governor training and development plans for 2023-24.	16th October 2023
6.2.1.1	HC	Provide further details on how the 'Staff Recruitment – Time to Fill Rate' KPI metric is calculated.	16th October 2023
6.2.3.1	HC	Validate whether the HR Review audit schedule needed to be amended to accommodate the timeline for HR system implementation.	16th October 2023
6.3.2.1	BH	Include 'Financial Health Grade' on the agenda for the first Resources, Culture & Impact Committee meeting of the Autumn Term.	28th September 2023