

**CITY OF WOLVERHAMPTON COLLEGE**

**Minutes of a Meeting of the Board of Governors held on  
Monday 25 July 2022 at 5pm  
Conducted via Microsoft Teams**

**PRESENT**

Mr Mark Taylor (Chair)	Mr Clarence Crosdale (Vice Chair)
Mr Trevor Dutton (to item 6)	Mr Scott Thompson (from item 5)
Mrs Amanda Tomlinson (to item 6)	Ms Dionne Barrett (from item 5)
Mr Mal Cowgill	Mr Sam Duru
Ms Sally Slater (Staff Governor)	Mr Ian Gardner
Mrs Hshaana Knight	Ms Anya Priya Luis (Student Governor)

**IN ATTENDANCE**

Mrs Louise Fall	-	Deputy Principal
Mr Peter Merry	-	Deputy Chief Executive
Mrs Elizabeth Ball	-	Head of Governance

**56/22 APOLOGIES AND DECLARATIONS OF INTEREST (ITEM 1)**

Apologies were received from Mike Hastings, John Bradford, Nisha Rai, Ian Browne, Mike Dixon and Lynn Parker.

Mark Taylor declared a conflict of loyalty as an employee of the City of Wolverhampton Council.

**57/22 MINUTES AND MATTERS ARISING (ITEM 2)**

**The non-confidential minutes of the meeting held on 13 June 2022 were approved as a correct record.**

**58/22 REPORT ON OUTSTANDING ITEMS (ITEM 3)**

The Board of Governors received an update on actions that were outstanding from previous meetings.

The Deputy Chief Executive reported that he had considered the position in relation to the land valuation and that this had increased by a small amount as a result of the mezzanine floor development at Wellington Road.

**59/22 CORRESPONDENCE (ITEM 4)**

The Board of Governors noted the Annual Strategic Conversation letter from the ESFA and the letter from the FE Commissioner.

**60/22 STRATEGIC DEVELOPMENT IMPLEMENTATION PLAN (INCLUDING APPROVAL OF BUDGET 2022/23 (ITEM 5))**

The Principal presented the Strategic Development Implementation Plan (second draft) and advised that the plan translated the College's vision into everyday objectives, actions and measurable success.

It was noted that the Vision 2030, the values and KPI's have been retained with information provided in relation to each of the four strategic areas. The Principal emphasised, however, that the focus will be on 'Defining Futures'.

The Board commented that it was reassuring that this was a refresh of the plan but that the strategy remains the same, they asked however, about the position in relation to Adult Education and to what extent this will be incorporated into the plan.

The Principal reminded the Board about the history leading to the Memorandum of Understanding with the City Council and advised that the intention is to refresh this in December 2022. In that document there had been an ambition to look at Adult Education provided by the City Council and the College coming together, but there had not been agreement about what this would look like. Whilst there have been other priorities since then, the Principal advised that there may be an opportunity to bring the provision together in the future, particularly when developing CLQ.

***Scott Thompson joined the meeting.***

The Principal advised that the Curriculum Plan was not attached to the SDIP, but that this could be made available in summary or in full once it was completed. He advised that currently there is a high line summary covering all of the College's provision.

The Deputy Principal reported that the Curriculum Plan is ever changing and can be flexed to accommodate new initiatives during the year. It was agreed that an overview would be helpful for Governors.

The Board noted that the translation of the Curriculum Plan into income forms a significant part of the report from the Deputy Chief Executive.

The Board asked how confident the Executive were that where growth has been targeted for additional courses, this would transpire, particularly in view of the difficulties facing apprenticeship provision in the current year.

***Dionne Barrett joined the meeting.***

The Principal highlighted that the difficulties had been exacerbated by the pandemic, but there was confidence in the current proposals which are based on extensive discussions, testing, applications and plans. Delivery will guarantee funding for adult provision with 16-19 provision being subject to lagged funding.

It was noted that the increase in 16-19 student numbers will mainly involve infilling on existing courses.

The Deputy Chief Executive explained that there is significant detail in the budget including the increase in income which will be generated through work with partners. Although this is classed as sub-contract provision the College is only working with partners with specific skills and experience.

The Board noted the market analysis information and asked whether the College's ranking for apprenticeship provision would change with an increase in learners. The Principal advised that most of these learners would be in the College's 16-19 provision and as a result this may not change. He emphasised, however, that whilst league positions are important, the College is focussing on what it can deliver which has resulted in an increase of income of c£10m over the past 5 years.

The Deputy Principal advised that the data that had been provided was to November 2021 and as a result does not include the College's activity for the current academic year. She reported that an update can be provided once the data for the current year is available.

The Principal highlighted the position relating to the College's subsidiary Company and the positive impact on students, particularly in Hospitality and Catering.

He advised that the section relating to People Engagement had been updated and was a key area in relation to the retention of staff.

The Deputy Principal confirmed that reporting to Governors will reflect the Workforce Development Strategy and that Governors' comments from the Development Session had been taken on board.

The Board of Governors noted the section relating to risk management and KPI's and the analysis of risks and benefits. They also noted the potential for improvements in the College's financial health and legacy position that was still being addressed.

### Budget 2022/23

The Deputy Chief Executive presented the proposed budget for 2022/23 and the comparison with previous years to 2017/18.

Key points were highlighted including:

- Income has increased by £9m since 2017/18
- Funding has been increased for 16-19 learners but this also requires additional teaching hours.
- Increase of 16-19 learners in-year will be funded by the College as a result of lagged funding.
- Testing of the demographics continue to show an increase with some information being available from the 2021 census. The level of growth in 16-19 numbers is consistent with the College's current market share.
- The budget for apprenticeships has been reduced reflecting the performance in 2021/22.
- The increase in adult funding reflects the contracts with the West Midlands Combined Authority although this is balanced by the increase in partnership payments.

- Pay costs include a review of each individual employee and take into account vacancies and assumptions about vacancies that will occur during the year.
- There is margin for a pay award, although this is not a recommendation in the budget. Performance will be evaluated over the first quarter, after which this could be considered.
- There is concern about the cost of utilities and the impact on the College next year has been estimated. However this will be mitigated as most contracts are fixed to March 2023.
- Some tolerance has been provided in relation to professional fees in view of the ongoing property developments.
- Inflation is a big concern, however so far as possible this has been tested in preparing the budget and factored in.
- The budget represents an improved operating surplus.
- Whilst in-year the College's core activity may be providing less of a margin than partnership activity, this is due to the College bearing the costs of growth due to the lagged funding regime.
- It is anticipated that there will be a modest increase in the College's cash position and the College is working with a consultant to reprofile the Transaction Unit debt.
- Financial health is improved, but this is dependent on the restating of the covenants with the Bank.

Governors asked for further information about pay increases for staff, particularly as many Colleges were facing strikes currently. They questioned whether the College would need to find additional resources in 2022/23.

The Principal advised that regular meetings are held with the Unions and that there does not appear to be any discontent currently. The pay award of 3.1%, backdated to February, will be paid this month and appears to have been received positively. Whilst there is a backdrop of inflationary pressure, the Principal considered that the Unions understood the College's position, although discussions are continuing in relation to lecturer contracts.

The Board commented that whilst there have been some assumptions about vacancy rates, it was also important to retain existing staff. This was endorsed by the Principal who outlined the College's intentions in relation to remuneration of lecturing staff.

Governors asked whether the College was doing any stress testing in relation to inflation and whether there was a level of inflation that would be unbearable.

They were also interested in whether the Board of Governors could receive further information about which funding streams provide better margins.

The Principal advised that consideration of the margins is done by department and not by funding stream and that this is reported in the Management Accounts at the highest level.

The Deputy Chief Executive reported that the position is complicated as classes often contain students who have different funding streams. He did consider, however, that it would be possible to provide more of an analysis on profitability in the Management Accounts.

In relation to stress testing, the Deputy Chief Executive explained that there was no scientific analysis but that every area is reviewed rigorously and plans considered to ensure that there is a balanced picture.

The Principal emphasised that whilst it was important that courses did provide a contribution, the College also has a social responsibility to the Wolverhampton area to fulfil a wider social and economic brief.

Governors asked where the College sits in relation to its operating surplus with other Colleges.

The Deputy Chief Executive reported that the key measure is EBITDA and that the College benchmarks well against this although there is a need to resolve the position relating to historical debt.

Governors asked for clarification about the position in relation to ESOL provision. The Principal reported that there will be a shift to focus on employability whilst continuing to work with the Voluntary Sector and Charities to support people who cannot get into the College.

Governors asked how that would affect the pre-entry ESOL students who have little English and the Principal agreed that this was a key element, as there were many barriers to people getting jobs including transport and childminding. However, the West Midlands Combined Authority wants the provision to be more employability based with those obtaining qualifications going into employment.

The Board noted that there was a reference to the College's International Strategy and asked whether this was seen as a potential benefit.

The Principal advised that there is potential in both India and China, although that could be politically difficult. However, there is the potential for the College to align with certain provision and some potential for student exchanges etc. It was noted before any activity took place a report would be provided for the Board. There was also the potential work with Eastern Europe in relation to the College's Polymer provision, but there would need to be an educational and financial pay back for the City.

**It was resolved:**

- **That the Strategic Development Implementation Plan be approved.**
- **That the budget for 2022/23 be approved.**

## 62/22 COLLEGE UPDATE (ITEM 6)

### (i) Student Engagement

#### Applications

The Deputy Principal presented the report which provided an update in relation to applications for 16-19, adult learning and HE applications.

The Board of Governors noted the report including the information about the College's market share and the level of conversions from applications to enrolments.

***Trevor Dutton left the meeting.***

#### Ofsted Update – Meeting Skills Need

It was noted that some Governors had been unable to attend the Governor Development session in June 2022 and that the slides from the presentation were included with the papers for the meeting.

The Deputy Principal advised that since the development session, the Ofsted Handbook had been updated which provides context as to how the contribution statement will be awarded.

**The Board of Governors noted the report.**

#### Student Union Annual Report

The Student Governor presented the report which detailed the activities undertaken by the Student Union in 2020/21.

The Student Union accounts were presented for approval.

**It was resolved that the Student Union annual report be received and the Student Union financial statements be approved.**

### (ii) Student Success

#### Curriculum Update

Achievement:

The Board of Governors noted the overall retention rate for the College Classroom Based Learning and that this was above retention rates for the previous year and the 2019/20 National Achievement rates tables.

It was reported that the College is predicting similar achievement rates to 2020/21 although there may be slight decline in pass rates due to the return of more robust methods of assessments.

It was also noted that there were some concerns about the pre-release information and grade boundaries.

Attendance:

The Board of Governors noted the improvement in attendance rates compared to 2020/21, although these remain below pre-pandemic levels.

**The Board of Governors noted the report and the difficulties in predicting pass/achievement rates for 2021/22 and the improved retention and achievement rates.**

Actual Destinations:

The Board of Governors noted the report and that there had been an increase in positive destinations for students, with more students moving into paid employment.

***Amanda Tomlinson left the meeting.***

Governors reflected on how those students that are not moving into a positive destination are supported and whether they are linked in with external agencies.

The Deputy Principal reported that as the College knows who these students are, College teams can work with them and there will be a targeted approach to ensure that they progress.

The Principal reported that the College is linked into external organisations and that funding has been received for the Youth Hub at the Wellington Road site.

A Governor also reported that he was chairing the Economic Growth Board and that there was a commitment to establish a Youth Panel.

**The Board of Governors noted the improved reporting systems for student destinations and the encouraging signs of improving positive student destinations.**

(iii) **Business Success**

**Management Accounts (Including Bad Debt Write-off)**

The Board of Governors received the Management Accounts for the period to May 2022.

The Deputy Chief Executive highlighted key points in relation to the operating surplus and variances in income, pay and non-pay expenditure and reported on the cash position at 31 May 2022 and the cashflow forecast to 31 July 2022.

It was noted that the full year forecast had been retained, showing the same position as at the end of April 2022, which was also very close to budget.

The Board of Governors were advised that cashflow and financing is being monitored closely and that discussions are continuing in relation to the reprofiling of the Transaction Unit debt.

**The Board of Governors received the Management Accounts.**

### Amendment Letter – Term Loan Facility Agreement

The Deputy Chief Executive reminded Governors of the history to the restructuring fund debt which was agreed in 2018, which had been linked to the original timeline for the development of CLQ.

As this had been delayed, the ESFA had agreed that the first payment would be deferred subject to approval of an amendment letter. It was reported that this was an intermediary step whilst the College works with a Consultant to review the College's 5 year plan.

#### **It was resolved that:**

- **The letter be countersigned by the Principal**
- **that the Board of Governors approve the terms of, and the transactions contemplated by, the letter and that the Board of Governors execute, deliver and perform the letter.**

### Tuition Fees

The Deputy Chief Executive presented the Tuition Fees Policy for approval by the Board of Governors

#### **It was resolved that the Tuition Fees Policy be approved.**

### Catering Service Provision Contract Award

The Board of Governors noted the report on the process, evaluation and outcome of the open tender for the supply of ambient and frozen grocery products.

Whilst it was unfortunate that it had not been possible to award the contract to a local supplier, the Board of Governors noted the outcome of the process.

#### **The Board of Governors noted the report.**

#### (iv) **People Engagement**

The Deputy Principal presented the report which summarised the People Engagement activity for the year including recruitment management, sickness absence management and performance management.

It was noted that future reports will align to the Workforce Development Strategy.

#### **The Board of Governors noted the overview of staff performance for the academic year 2021/22.**

### **63/22 REPORT FROM THE SEARCH AND GOVERNANCE COMMITTEE (ITEM 7(A))**

The Chair presented the report from the meeting of the Search and Governance Committee which took place on 19 July 2022.

The minutes of the meeting were received.

The Board of Governors noted the proposed membership of the Committees and Task and Finish Groups for 2022/23. Governors were asked to express any interest in becoming a member of the Committees.

**It was resolved that:**

- **The membership of the Committees and Task and Finish Groups for 2022/23 be approved.**
- **The updated Schedule of Delegation be approved**

**64/22 REPORT FROM THE AUDIT COMMITTEE (ITEM 7(B))**

The Head of Governance presented the report in the absence of the Chair of the Audit Committee.

The minutes of the meeting of the Audit Committee which took place on 6 July 2022 were received.

**It was resolved that:**

- **The External Audit Plan be approved.**
- **The Internal Audit reports be noted.**
- **The Internal Audit Plan 2022/23 be approved.**
- **The Risk Management update be noted**

**65/22 CONFIDENTIAL MINUTES OF THE MEETING HELD ON 13 JUNE 2022 (ITEM 8)**

- **It was resolved that the confidential minutes of the meeting held on 13 June 2022 be approved.**

**66/22 CONFIDENTIAL MINUTES OF THE MEETING OF THE APPRENTICESHIP TASK AND FINISH GROUP (ITEM 9 (a))**

- **The confidential minutes from the meeting of the Apprenticeship Task and Finish Group held on 30 June 2022 were received.**

**67/22 ANY OTHER BUSINESS (ITEM 10)**

There was no other business.

**68/22 CONFIDENTIALITY (ITEM 11)**

**It was resolved that the following reports and minutes remain confidential and not be made available for public access:**

- **Item 5.2 – CTOG update and Confidential minutes from the Campus Transformation Oversight Group held on 27 June 2022**
- **Item 6.3 (b) – ESFA Restructuring Fund Loan amendment letter**
- **Item 6.3 (d) Report on Catering Service Provision Contract Award**

- **Item 8 – Confidential minutes of the meeting of the Board of Governors held on 13 June 2022**

**69/22 DATE AND TIME OF NEXT MEETING (ITEM 10)**

**19 September 2022 at 5pm**