

CITY OF WOLVERHAMPTON COLLEGE

**Minutes of a Meeting of the Board of Governors held on
Monday 12 December 2022 at 5pm via Teams**

PRESENT

Mr Mark Taylor (Chair) (to item 7 (3 (b)))	Mr Mike Hastings (Vice Chair)
Mr Clarence Crosdale (Vice Chair)	Mr Ian Gardner
Ms Sally Slater (Staff Governor)	Mr John Bradford
Mrs Amanda Tomlinson	Mr Trevor Dutton
Mr Mal Cowgill	Ms Dionne Barrett
Ms Anya Priya Luis (Student Governor)	

IN ATTENDANCE

Mrs Louise Fall	-	Deputy Principal
Mr Ian Browne	-	Vice Principal Student Success
Ms Lynn Parker	-	Assistant Principal
Mr Mike Dixon	-	Assistant Principal
Mrs Elizabeth Ball	-	Head of Governance
Mr Andrew Woodford	-	Director of Finance
Ms Saira Rana	-	Bishop Fleming – External Auditors

89/22 APOLOGIES AND DECLARATIONS OF INTEREST (ITEM 1)

Apologies were received from Scott Thompson, Linsey Flynn, Sam Duru, Hshaana Knight and Nisha Rai.

Mr Mark Taylor made a declaration of loyalty as an employee of the City Council.

90/22 MINUTES AND MATTERS ARISING (ITEM 2)

The Head of Governance reported that Ms Nisha Rai had been omitted from the list of attendees at the meeting.

It was resolved that subject to the amendment to include Nisha Rai as in attendance at the meeting, the non-confidential and confidential minutes of the meeting held on 7 November 2022 be approved as a correct record.

91/22 REPORT ON OUTSTANDING ITEM (ITEM 3)

The Board of Governors considered the report on outstanding actions.

The Vice Principal Student Success advised that a report on gaps in student performance would be provided for the Board of Governors at their meeting in March 2023.

He reported that whilst the data is available, the intention is to explore the position further with groups of students and to work with other West Midlands Colleges.

92/22 ONS RECLASSIFICATION (ITEM 4)

The Board of Governors noted the letters from the Chief Executive of the Education and Skills Funding Agency and the Minister for Skills, Apprenticeships and Higher Education dated 29 November 2022 and the briefing note prepared by the Head of Governance.

Key points relating to the sale of assets and the provisions of Managing Public Money were highlighted, but it was emphasised that the implications of the reclassification are still emerging.

The Head of Governance advised that Governors could attend an ETF briefing on 13 December 2022 on the ONS reclassification and that she would re-circulate the details.

93/22 SDIP AND KPI REPORT (ITEM 6 (A))

The Principal provided an update in relation to the 2021/22 Strategic Key Performance Indicators including performance to date which evidence an overall positive position.

Governors asked whether the College was concerned about the levels of achievement for maths GCSE and were advised that when the figures are compared with other Colleges this is not a particular concern, however as had been reported previously the position will be clearer once the National Achievement Rates have been published.

The Vice Principal Student Success reported that the position is similar to achievement rates in 2018/19 which was the year before the COVID 19 pandemic. However, the College continues to push to increase levels of achievement.

Governors asked whether they will be able to fully benchmark the College's position when the data is released and noted that this would be available in many ways and will be provided once published.

Ian Gardner joined the meeting.

Governors also asked, whether in view of the performance in 2021/22, the targets for 2022/23 were realistic. The Vice Principal Student Success reported that the disruption caused by the COVID 19 pandemic has hit maths students more than others, but there is also an expectation of a step change in that area.

As discussed, Governors noted that the position can be reviewed when the National Achievement Rate Data has been published.

The Board of Governors noted the report.

Saira Rana joined the meeting

94/22 PROPERTY UPDATE (ITEM 6 (b)) Confidential

The Deputy Chief Executive gave a brief update and highlighted the risks in relation to the project at Wellington Road following the ONS reclassification which could introduce additional delays.

There is also a need to obtain consent from the bank before the Development Agreement can be signed.

The Board of Governors noted the report.

95/22 FINANCIAL STATEMENTS AND AUDIT OPINION (ITEM 6)

(a) Annual report from the Audit Committee

The Chair of the Audit Committee presented the Audit Committee Annual Report which covered the membership and activities of the Committee in 2021/22.

The Board of Governors noted that the report provided information about the audit reviews that had taken place during the year, together with the levels of assurance. He particularly highlighted the reduction in the number of recommendations that had been made as part of the Internal Audit reports.

The Chair of the Committee highlighted that the Committee had given full consideration to all the reports which were appended to the Annual Report, and in particular highlighted the report on risk management.

The Board of Governors noted the opinion of the Internal Auditors and that the External Audit opinions as detailed in the financial statements will be included in the report before being sent to the ESFA.

The Board also formally noted the advice of the Audit Committee and their recommendation that the Annual Accounts for 2021/22 be approved.

It was resolved that subject to the inclusion of the External Audit opinions relating to the Financial Statements and the Regularity Audit, the Audit Committee Annual Report be approved for submission to the ESFA.

(b) External Audit Report

The External Auditors reported that the audit was substantially complete and that their audit opinions were included with the financial statements for the College and the subsidiary company.

The Board of Governors noted that the opinion of the External Auditors is that

- (a) the financial statements give a true and fair view of the group's affairs as at 31 July 2022 and of the group's statement of comprehensive income and expenditure, statement of changes in reserves and statement of cashflow for the year

- (b) the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and have been prepared in accordance with the requirements of the FE HE SORP, College

Accounts Direction 2021 to 2022 and the Office for Students' Accounts Direction.

There was, however, a material uncertainty in relation to going concern as a result of the breach of banking covenants.

The Board of Governors considered the other key areas of risk detailed in the External Auditor's Key Issues for Discussion Document and that no material errors had been identified.

Governors asked whether any further assurances are required in relation to the significant risks that were referred to in the audit report. They were advised that these areas are those that are identified as risk for this type of organisation but that they were subject to testing during the audit and no issues were identified.

It was noted that a letter of support was required from the College for the subsidiary company in advance of the signing of the subsidiary company accounts.

The External Auditor reported that a letter of support was required for the subsidiary company before those financial statements were signed off at the AGM on 14 December 2022.

The Board of Governors endorsed the report from the External Auditors.

Letters of Representation

The Board of Governors noted that the letters of representation for the College and the subsidiary company were in the standard format and that the letter of representation for the College would be signed by the Chair on behalf of the Board of Governors.

It was resolved that the letter of representation be approved for signature by the Chair.

Regularity Self-Assessment Questionnaire

The Board of Governors reviewed the Regularity Self-Assessment Questionnaire and noted that this would be signed by the Chair and the Principal.

It was resolved that the Regularity Self-Assessment Questionnaire be approved for signature by the Chair and Principal.

(c) Annual Report and Financial Statements

The Director of Finance presented the financial statements for the year ended 31 July 2022.

He reported that separate accounts had been prepared for the subsidiary company with the group structure being reflected in the College financial statements.

Governors noted that two audit opinions were included, firstly relating to the fairness and accuracy of the financial statements, with the second relating to the regularity audit and the use of public funds for the purposes intended and that as discussed earlier in the meeting, an emphasis of matter had been included.

In relation to the subsidiary company the Director of Finance reported that pay costs had increased as this was the first full year of the catering provision. He advised that costs are recharged to the College and profits are gift aided.

He advised that as reported previously, the Board of Directors of the subsidiary company will sign off the financial statements at their AGM on 14 December 2022. However, as the subsidiary company cannot trade without the support of the College a letter of support is required.

It was resolved that a letter of support be provided for City of Wolverhampton College Enterprises Ltd.

The Director of Finance drew Governors' attention to the comprehensive income and expenditure account and highlighted the impact of the actuarial gain and the operating surplus for the year.

Also highlighted was the Balance Sheet as at 31 July 2022 and the reduction in total net liabilities as a result of the actuarial gain. The Director of Finance emphasised however, that the net liabilities are also affected by the bank loan which is classed as repayable on demand.

It was also highlighted that despite the challenges, the College continues to generate cash although this has not reached the level required by the bank covenant.

Governors asked why there remained a level of net current liabilities once there had been an adjustment for the bank loan. The Deputy Chief Executive advised that this relates to the Restructuring Fund debt, part of which, as it currently stands, is repayable within this financial year. He confirmed, however, that discussions are continuing with a view to re-profiling this debt.

Governors asked whether the risk in relation to the bank loan had increased or decreased and noted that on a numerical basis it is less as the debt is reducing. In addition, there has been a shift as Colleges have been reclassified as public sector and discussions are continuing with a view to resolving the College's historic debt position.

Governors reviewed the annual report and in particular the Statement of Corporate Governance and Internal Control. They considered the section relating to going concern and the key factors in making that assessment, and the assurances provided by the Audit Committee and the Accounting Officer.

Based on that advice and the review of going concern, the Board of Governors were of the opinion that the College has an adequate and effective framework

for governance, risk management and control, and has fulfilled its statutory responsibility for the 'effective and efficient use of resources, the solvency of the institution and the body and the safeguarding of their assets'.

Governors also approved the adoption of the going concern basis for the preparation of the financial statements.

It was resolved that the Annual Report and Financial Statements 2021/22 be approved and signed by the Principal and Chair.

Saira Rana left the meeting

96/22 COLLEGE REPORT (ITEM 7)

1. Student Engagement

(a) Student Liaison and Student Union Annual Report 2021/22

The Student Governor presented the Student Union Annual report and financial statements for 2021/22.

The report detailed the activities of the Student Union during the year, including fundraising and student enrichment.

Governors noted the financial statements for the year and the level of reserves carried forward.

The Student Governor advised that she had taken the opportunity to attend a Festival of Student Governance two-day conference arranged by Unloc and the Association of Colleges in Birmingham in November as part of the AoC Conference.

She reported that the event had been a positive experience where she had been able to engage with students from other Colleges and attend sessions designed to support Student Governors in their role.

The Board of Governors endorsed the Student Union Annual Report and approved the financial statements.

(b) College Self-Assessment report 2021/22

The Deputy Principal presented the College Self-Assessment report 2021/22 and advised that all aspects of the Education Inspection Framework and Types of Provision being judged as good except in relation to Apprenticeships.

It was noted that areas for improvement will be aligned to the College Quality Improvement Plan which will be presented for consideration by the Board of Governors at their next meeting.

Governors considered that the report was a good reflection of the discussions at the SAR validation sessions.

It was resolved that the College Self-Assessment report 2021/22 be approved.

(c) Quality of Education - In-Year Update

The Deputy Principal presented the report which focussed on the 'implementation' element of the Quality of Education.

It was noted that this was based on learning walks and deep dive activities and that based on the findings, the Quality of Education (implementation) remains good.

Governors noted the detailed report on levels of confidence and the key areas for improvement.

The Board of Governors noted the in-year findings of Quality of Education (implementation) continues to be good.

2. Student Success

(a) Destinations

The Vice Principal Student Success presented the reported and highlighted the improvements that have been made in tracking student destinations using the College's own system to capture data at three stages: intended, actual and sustained.

It was noted that the College will be sharing its data with Colleges West Midlands and will then receive the benchmarked data in relation to sustained destinations.

The Vice Principal Student Success highlighted the headline comparisons and reported that the College will be reviewing the data to establish some of the reasons behind students not having a positive destination.

The Board of Governors noted the excellent progress made in developing College systems to report on student destinations and progression.

3. People Engagement

(a) EDI Annual Report 2021/22

The Vice Principal presented the report which provided an overview of Equality, Diversity and Inclusion data for staff, students and apprentices in 2021/22.

Governors noted where there were achievement gaps and that these would continue to be monitored. It was also noted that there were some material

gaps in relation to apprentices but that due to the impact of COVID on this provision there may be improvements in levels of achievement this year.

In relation to staff, the Vice Principal highlighted that there had been an increase in staff over the age of 40 and that more staff have preferred not to declare a difficulty and/or disability.

Governors noted the number of students that are considered as having learning difficulties and asked whether they can be assured that the College is able to provide them all with the necessary support.

The Vice Principal reported that the number of learners with a disability has grown significantly and continues to grow as more students come through the system.

She advised that there are different levels of need. However, those with EHCP's are getting the support they require as are those with lower-level needs e.g. access/exams/scribes.

Governors noted that there has been a need to increase staff numbers to enable these students to have the right support and the opportunity to achieve and that there are increasing challenges due to the levels of mental health problems and anxiety that students experience.

The Deputy Principal advised that support is provided by the Mental Health First Aiders, Counsellors and Safeguarding staff.

Governors noted where there were gaps in relation to the performance of apprentices and asked whether the data was available to ensure that these were addressed.

The Deputy Principal confirmed that each curriculum area analyses their own data and action to address any gaps in achievement that are emerging are detailed on the Quality Improvement Plan.

The Board of Governors approved the EDI Annual Report 2021/22.

Mark Taylor left the meeting.

Clarence Crosdale was appointed as Chair for the remainder of the meeting.

(b) EDI Policies and procedures 2022/23

The Board of Governors reviewed the Equality, Diversity and Inclusion Policy and Procedures 2022/23.

It was resolved that the Equality, Diversity and Inclusion Policy and Procedures 2022/23 be approved.

(c) 2022 Gender Pay Gap Report

The Deputy Principal presented the report and highlighted that whilst there remain pay gaps between males and females, the median gender pay gap has reduced since 2021 and is in line with other organisations within the FE sector.

It was noted however that the mean gender pay gap is broadly in line with the UK national average and below the education sector average.

Governors noted the factors that contribute to the gender pay gap and actions to be taken to reduce the gap year-on-year.

It was resolved that the 2022 Gender Pay Gap Report be adopted.

4. Business Success

(a) October Management Accounts

The Director of Finance presented the management accounts to October 2022 and highlighted key points, in relation to income, pay and non-pay costs.

It was also noted that EBITDA overall is ahead of budget and that the cash balances continue to be strong and higher than at the same point last year.

Governors noted that there was little change to the balance sheet and that the bank loan is not reclassified in the management accounts. They also noted the current position in relation to the financial health score.

It was resolved that the Management Accounts to October 2022 be noted.

(b) Partnership Update

The Deputy Chief Executive reported that the College continues to work strategically with partners to support growth in areas such as Rail and EV.

He confirmed that for each partnership there are effective governance arrangements in place and that all College policies, including safeguarding, are actively implemented. There are also processes to ensure that the student voice is heard and there is learner feedback.

Governors noted that partnership provision will continue to grow this year and that there will be a slight change in the mix and balance of provision which is aligned to the funding streams.

It was also noted that the College has been working with one of the Governors, Scott Thompson, as Chair of the Economic Growth Board, to identify how the College can work more closely with employers.

The Deputy Chief Executive reported that the sub-contracting policy had been updated and renamed the Subcontracting and Partnership Policy to reflect the way in which the College wishes to work. He advised that the policy is published annually on the College website.

Governors asked whether the level of partnership provision in 2021/22 was at the expected level. They noted that this was as expected as the provision had expanded particularly in relation to Rail and EV and in line with the reports that had been presented to Governors during the year.

In response to a question about other partners the Deputy Chief Executive reported that these are in areas including accountancy and plant operatives. He advised that all partnerships must align strategically with what the College can achieve, have expertise that the College does not have and the ability to raise the aspirations of learners.

It was resolved that the Subcontracting and Partnership Policy be approved.

(c) Annual Report on Data Protection and Freedom of Information

The Board of Governors noted the annual report on Data Protection and Freedom of Information requests.

It was resolved that the report be noted.

(d) Treasury Management Policy

The Deputy Chief Executive reported that whilst the intention had been to update the Treasury Management Policy at this meeting, there are immediate changes following the recent ONS reclassification of Colleges.

In particular, there are immediate limitations in relation to borrowing as the College is now subject to the framework for financial management set out in Managing Public Money, with one immediate matter to address, being the requirement for DfE consent to use the College's overdraft facility.

He advised that a full Treasury Management Policy will be presented at a future meeting.

The Board of Governors noted the impact of the ONS announcement in relation to Treasury Management.

(e) Post 16 Capacity Fund Bid Estates Strategy

The Deputy Chief Executive presented the report and reminded the Board of Governors that at their meeting on 7 November 2022, final approval of the bid to the Post 16 Capacity Fund was delegated to the Chair, subject to certain parameters.

Governors noted the estimated project cost and contribution included in the bid and that it was submitted on Friday 11 November 2022 following approval by the Chair.

Governors also noted the interim update to the Property Strategy.

It was resolved that:

- **The Board of Governors endorse the action of the Chair giving final approval to the bid.**
- **The update to the Property Strategy be approved.**

(f) Refinancing Proposal (Confidential)

The Deputy Chief Executive presented the report which detailed an alternative option (Plan B) to the DfE for the consolidation of the College's debt.

Governors considered the report and in particular, the object of the proposal, the assumptions, future debt levels, the proposal for DfE to take a charge against the Paget Road site and the impact on the College's financial health.

It was noted that the reclassification of Colleges has enabled the College to pursue this new avenue and that the proposal is that DfE agree in principle to buy out the Barclays debt and to delay repayment of the Restructuring Fund loan.

Governors were advised that this does now appear to be a strong possibility which may require action to be taken quickly.

The Board of Governors agreed that the proposal should be supported.

(g) Board Risk Update

The Deputy Chief Executive presented the report which outlined the management of risk in the College and the responsibilities of the Board of Governors.

Governors noted that the risk register is considered by the Audit Committee at each of its meetings and that the internal review of risk management at the College last year, received an overall assurance level of substantial.

Governors reviewed the report on significant risks, the overall risk scores and unmitigated risk scores and the risk appetite matrix which is linked to specific areas.

The Board of Governors reviewed the report and approved the risk appetite matrix.

97/22 COMMITTEE REPORTS (ITEM 8)

(a) Audit Committee Report

The Chair of the Audit Committee presented the report and advised that a significant part of the business considered at the meeting of the Committee had been covered as part of item 6 on the agenda or as part of the risk management update at item 7.3.

He highlighted the Internal Audit reports that had been considered at the meeting and that all actions have been taken or have relevant implementation dates.

Governors noted the Annual Whistleblowing report and the updated Whistleblowing Procedure and noted the proposed amendments to the Terms of Reference.

It was resolved that:

- **The minutes of the meeting of the Audit Committee on 30 November 2022 be received.**
- **The report on the Internal Audit reviews be noted.**
- **The Annual report on risk management be endorsed.**
- **The updated Whistleblowing Policy be approved.**
- **The updated Terms of Reference for the Committee be approved.**

(b) Search and Governance Committee

The Head of Governance presented the report and highlighted the items that had been considered at the meeting which required the attention or approval of the Board of Governors.

Governors were asked to consider whether they would be prepared to take on the role of Vice Chair or the Safeguarding Link Governor and the importance of ensuring these new appointments as soon as possible was emphasised.

Governors also noted that the Head of Governance will be discussing with those Governors whose attendance is below the target of 80% whether the College is able to provide additional support or remove any barriers that they may be facing.

The Head of Governance advised that the Committee was recommending that the new Protocol for Governor links be approved and that clause 15(3) of the Instrument of Government (requiring the signature of minutes) be removed.

The Board was also requested to adopt the annual report from the Search and Governance Committee, and whilst no changes had been made, approve the Committee's Terms of Reference.

Governors were reminded that dates for the Quality of Education Boards and Curriculum Purchasing meetings had been circulated and that it was important for all Governors to take the opportunity to attend at least one session.

It was resolved that:

- **The minutes of the meeting of the Search and Governance Committee held on 28 November 2022 be received.**
- **Governors contact the Head of Governance if they are interested in the role of Vice Chair of the Board or the Safeguarding Link.**
- **The report on Governor performance be noted.**
- **The protocol for Governor links be approved.**
- **Clause 15(3) of the Instrument of Government be removed.**
- **The Terms of Reference for the Search and Governance Committee be approved.**
- **The Annual report from the Search and Governance Committee be adopted.**

(c) Apprenticeship Task and Finish Group

It was noted that the Task and Finish Group continues to monitor the College's apprenticeship provision.

It was resolved that the notes of the meeting of the Apprenticeship Task and Finish Group held on 1 December 2022 be received.

(d) Remuneration Committee Annual Report

The Chair of the Remuneration Committee presented the report covering the membership of the Committee, a summary of meetings, levels of attendance and Senior Post Holder remuneration for 2021/22.

It was noted that some of the information is also included in the College's Annual Report.

It was resolved that the Remuneration Committee Annual Report be adopted.

98/22 ANY OTHER BUSINESS (ITEM 10)

FE Commissioner's Visit

It was reported that visit by the FE Commissioner in November 2022 was positive and that no new recommendations were made. Governors noted that there will be a review in 2023 as to whether further visits are required.

The Head of Governance reported that the final version of the report has yet to be received but it was anticipated that it would be available for consideration by the Board at its meeting in January 2023.

The Board of Governors noted the report.

Staff Election

Governors noted that an election for the new staff Governor would take place in January 2023 and that arrangements would be made for voting to take place electronically.

The Board of Governors noted the report.

99/22 CONFIDENTIALITY (ITEM 10)

It was resolved that the following reports and minutes should not be made available for public inspection.

Confidential minutes – 7 November 2022

Refinancing Proposal

Minutes of the Apprenticeship Task and Finish Group

Part 2 confidential minutes – Remuneration Committee

100/22 DATE AND TIME OF NEXT MEETING (ITEM 11)

30 January 2023 at 5pm