

Meeting: LSEC BOARD & STANDARDS MEETING -MINUTES

Date: 02 April 2019

Venue: C1/C2 Orpington Campus

Present: Stephen Howlett (Chair), Sam Parrett, David Eastgate, Max Bero, Charles Yates, Penny Bance, Christopher Biggs, Jane Hobson and Barry Spencer

In Attendance: Mary Herbert, David Lambert, Jenny Pharo, and John Hunt

1	<p>Apologies for Absence & Introductions</p> <p>Apologies were received from Jon Allen. In the absence of the Clerk Jenny Pharo clerked the meeting.</p> <p>Jon Allen, Lauren Ovenden, Jane Hobson (leaving meeting), Katy Woollocott, Cullum Twose</p>	
2	<p>Declarations of interest</p> <p>The CEO/Principal declared an interest against the agenda item on pensions audit as her husband is one of the staff affected.</p> <p>There were no other declared interests against any of the agenda items.</p>	
3	<p>Minutes of the last Meeting Held 18 December 2018</p> <p>These were approved as an accurate record of the meeting.</p> <p>It was RESOLVED to approve the minutes.</p>	
4	<p>Action Log & Matters Arising</p> <p>It was confirmed the action points from the last meeting are addressed through agenda items at this meeting.</p> <p>Other matters arising from the minutes were as follows</p> <ul style="list-style-type: none"> • The Chair requested improved Executive Summaries of the papers presented to the Board, no individual paper to be more than 4 pages. • The Board requested a glossary of acronyms to be appended to future papers. 	<p>JP</p> <p>JP</p>
5	<p>LSEEG Board Minutes 22 January 2019</p> <p>The minutes were noted for information purposes.</p> <ul style="list-style-type: none"> • Point 7: It was acknowledged that the new Group Strategy was still evolving. • Point 8: Degree Awarding – It was noted that Roger Dawe was still progressing and supporting this initiative. 	

	<ul style="list-style-type: none"> Point 12: Further legal advice received as part of the Governance Review would be shared and outlined as part of the Governors Strategy Day to be rescheduled for w/c 17 June. This day would also include outline details of the Group Property Strategy. <p>It was RESOLVED to note the minutes.</p>	
6	<p>College Performance Report</p> <p>The report was supported with the following:</p> <ul style="list-style-type: none"> 18/19 KPI Performance Scorecard Performance Reports KPI Scorecard Narrative (Feb 19) <p>During discussions the following key points were noted:</p> <ul style="list-style-type: none"> Quality concerns raised with HE provision, including academic malpractice, issues being resolved. Review of recruitment and admission policy plus administration of HEIs regulations. Report on HE position to be brought next Board. KPI Scorecard reviewed. J Hobson requested if methodology could be shared. The Board praised the Twilight College as a good initiative. <p>It was RESOLVED to note the report and actions.</p>	<p>MH</p> <p>JP</p>
7	<p>Ofsted Inspection</p> <p>An oral update was made available on the outcomes of the recent Ofsted inspection of the College.</p> <p>During discussions the following key points were noted as items that will appear in the summary statement from Ofsted</p> <ul style="list-style-type: none"> Overall grade accurately reflected the Self-Assessment Report. Will reflect the good progress in Apprenticeships. Leadership and Management will be recognized for successful and good management of merger – one college and one culture and achieving three year improvement trend in outcomes. Teaching and Learning will be recognized for having high expectations of learners with good progress Personal Development, Behavior and Wellbeing will be recognized as a good holistic wrap around service, HNS provision will be recognized as outstanding. Areas stated for improvement will be low timely success rates in apprenticeships and GCES high grades <p>The Chair congratulated the senior team on the substantial achievement and stated that the Board has confidence in the team and their judgment. Can now vision and plan for the future.</p> <p>Board advised report would not be published until after Easter, until then grade remained confidential.</p>	

	<p>Marketing and publicity campaign being prepared. It was RESOLVED to note the confidential nature of the verbal feedback.</p>	
8	<p>Insolvency Regime</p> <p>The guidance for Governors issued by the DoE was received and NOTED.</p> <p>During discussions the following key points were noted:</p> <ul style="list-style-type: none"> • Finance Committee to review whether this Board has the sufficient information to make the judgments in relation to insolvency regime. What indicators are required and necessary to be flagged. Officers to come forward with relevant indicators to include cash position. • Board asked to note that the financial position of LSEC has been assessed as good in line with our self-assessment <p>It was RESOLVED to note this matter.</p>	JH
9	<p>Financial Report</p> <p>Two reports were made available - the latest Management Accounts and the minutes of the LSEEG Finance Committee meeting held 05 February 2019.</p> <p>The Management Accounts for the period ended 28 February 2019 (period 7) show an adjusted operating deficit for the year prior to FRS102 pension adjustments of £1,133k. This deficit is £164k higher than forecast for the year to date. This is a consequence of gross income being lower than budgeted for the year to date, and pay costs not reducing sufficiently in order to offset the income shortfall.</p> <p>The period 7 reforecast shows that although the budgeted adjusted operating position for the year could still be achieved, at this time staff costs have not reduced sufficiently to offset the continued forecast income reductions and no budget contingencies remain.</p> <p>Although we have not reduced the forecast outturn for the year at this time, it is now anticipated that this will be between £0.5m below and £0.1m above budget. This range mainly reflects to continued uncertainties over the final level of performance against some income streams.</p> <p>A detailed reforecast of cash flow and the balance sheet has resulted in the forecast year end cash balance increasing by £0.6m to £8.1m. Whilst this work shows that all bank covenants should be achieved, the debt service covenant is very sensitive to changes in current assets and current liabilities, and this is subject to on-going monitoring. This issue will be discussed with Barclays in April.</p> <p>Work on the 2019/20 budget has commenced and it will be necessary to make some significant savings in pay costs in order to ensure the future viability of the College.</p> <p>During discussions the following key points were noted:</p>	

	<ul style="list-style-type: none"> • Board needs to look forward not back in terms of good financial health. • Income has declined further at P7 mainly due to AEB, Apprenticeships and some commercial income. • To achieve operating position all forecasts to be met. • Detailed exercise to reforecast cash flows completed by external consultant, ratified by new Guidance just released. • Year-end should report high cash balance. • Large increase in High Needs income due from local authorities. • Bank covenants reviewed. Debt servicing covenant is very sensitive to changes, to be discussed with Barclays. • For next year's budget important to make some considerable steps to reduce staffing. Reduction in teachers' remission and part time costs plus natural wastage in both teaching and learning areas and support. Recent benchmarking suggests management overstaffing in some areas. <p>It was RESOLVED to note the Management Accounts, the bank covenant review and the minutes of the LSEEG Finance Committee meeting held 05 February 2019.</p>	
10	<p>LSEEG Audit and Risk Committee Minutes 05 March 2019</p> <p>The minutes were NOTED for information purposes.</p> <p>During discussions the following key points were noted:</p> <ul style="list-style-type: none"> • Individual risk report was very helpful. • Trips and Visits report was raised as a concern and recurring issue. • Discussion on audit approach with a view that it had become very formulaic, failing to pick up the key issues and root cause. • Internal audit service procurement to be scoped to go out to tender for the next three year period. <p>It was RESOLVED to note this matter.</p>	JH
11	<p>Great Place to Work</p> <p>Following a presentation to the Board on the outputs of the GPTW staff survey in July 2018, a detailed action plan has been prepared. The action plan outlines ten key lines of activity that are being undertaken to improve the overall staff satisfaction scores and support the plans to create a high performing workplace where employees feel trusted and valued, at the heart of the organization.</p> <p>The ten-point action plan includes the following strands:</p> <ul style="list-style-type: none"> • Improvement in internal communications and mechanisms for communicating with staff • Review of staff contracts and pay awards • Establishment of working practices group 	

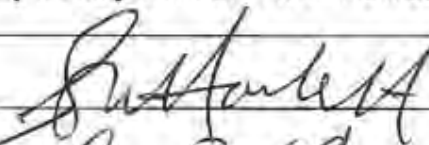
	<ul style="list-style-type: none"> • Investors in People strategic review • Development of a well-being strategy • Improved CPD offer and access to training. • Launch of new Corporate Strategy <p>During discussions the following key points were noted:</p> <ul style="list-style-type: none"> • Board requested a “You Said We Did” Report to be prepared and published to staff. <p>It was RESOLVED to note the report.</p>	JP
12	<p>GDPR</p> <p>The report provided a summary update on the working practices and activities implemented and adopted since the General Data Protection Regulations came into force in May 2018.</p> <p>A core element of the business is to use and process personal data and information. As a result of this a number of business areas have been impacted by GDPR. The report outlined the key activities and controls that have been put in place by the core team of data controllers throughout the organization in these areas to ensure full compliance with GDPR requirements.</p> <p>During discussions the following key points were noted:</p> <ul style="list-style-type: none"> • Board requested a RAG rating report to be included when next reporting. <p>It was RESOLVED to note the report.</p>	JP
13	<p>Tuition Fee Policy</p> <p>The Corporation is required to agree the general principles for College tuition fees on an annual basis. The Tuition Fees and other Charges Policy is a detailed operational policy which mainly sets out the charges and support for learners as appropriate to the circumstances in accordance with Government policy, together with details of College installment schemes and circumstances for refunds.</p> <p>It was confirmed only a few minor changes have been made to the document in accordance with Government policy and the Corporation are asked to approve the document for another year on this basis.</p> <p>Given the highly competitive nature of the market in London and in order to maintain future enrolment levels it is proposed that there will be no increase in FE tuition fees for 2019/20 following the 2% increase for courses starting in 2017/18.</p> <p>For the same reason, it is proposed that the College freeze the Direct HE fees for 2019/20 at 2018/19 rates as a 3% or £155 increase was applied in 2018/19 except for those listed in the policy.</p>	

	<p>Commercial course fees will continue to be agreed on a course by course basis subject to market forces and target contribution levels.</p> <p>Apprenticeship levy and non-levy fees will continue to be charged at the highest level for the appropriate framework and standard, subject to market forces on a case by case basis.</p> <p>During discussions the following key points were noted.</p> <ul style="list-style-type: none"> • Board agreed not to increase HE fees in year. Auger review would dictate the fees so to wait and until publication. <p>It was RESOLVED to approve the Tuition Fee Policy 2019-20.</p>	
14	<p>QPR Report</p> <p>The Board was asked to note the early prediction for the end of the academic year and the processes and interventions in place to support and maximize learner achievement.</p> <p>The following appendices were made available to support the college report:</p> <ul style="list-style-type: none"> • Appendix A – eTrackr Predictions by Campus • Appendix B – Predicted Frameworks below MLP • Appendix C – Campus level QPR Heat Maps <p>During discussions the following key points were noted:</p> <ul style="list-style-type: none"> • Officers reported on track to <ul style="list-style-type: none"> ○ meet achievement rates of previous year. ○ improve High grades GCSE ○ improve Apprenticeship provision • Predictions on the robust. • Board advised the presentation of information was clear and concise and asked for more information on red ratings to be provided in the future. <p>It was RESOLVED to note the report.</p>	
15	<p>Mid-Year Safeguarding Report</p> <p>The mid-year report provided a summary update on safeguarding activity and the following points were noted:</p> <ul style="list-style-type: none"> • There has been a number of changes within the Central Safeguarding Team • The section on corporation responsibilities and College practice has been revised to reflect the revised and extended version of KCSIE published in Sept 2018 • The number of safeguarding cases continues to be high and there have been two allegations made against members of staff one of 	

	<p>which was substantiated and a DBS referral made</p> <ul style="list-style-type: none"> • Several safeguarding related policies have been updated and are pending approval by SLT • Timely completion of safeguarding and Prevent training has improved significantly • Further amendments have been made to the recording and reporting of safeguarding cases on UNIT-e but the central safeguarding team is investigating commercial systems. • Four audits/reviews have been undertaken, actions identified and plans put in place to address these on a prioritized basis. <p>During discussions the following key points were noted:</p> <ul style="list-style-type: none"> • Ofsted had been very positive and requested to return and review our Safeguarding processes and procedures as best practice. • Board advised large volume of support at Bromley representative of campus profile volumes. • Counselling service being rolled out. <p>It was RESOLVED to note the report.</p>	
16	<p>Sector Brexit Update</p> <p>The report was based on the AoC January 2019 update.</p> <p>The main advice from the AoC is for Colleges to:</p> <ol style="list-style-type: none"> 1. Understand the impact on staff and students; 2. Consider the supply chain to anticipate any potential issues; and 3. Conserve cash. <p>The following key points were noted:</p> <ul style="list-style-type: none"> • The impact on staff and students at least in the short term is likely be minimal, as agreement or at least a transition arrangement for other EU nationals should be put into place, and there is not expected to be a wholesale migration exit or EU nationals suddenly losing benefits or entitlements. However, this is still subject to the saga which is unfolding daily. • The workforce of some suppliers such as cleaning contractors do have a significant proportion of staff from overseas. This does present a risk should there suddenly be a large number of staff who are no longer eligible to remain or work in the UK. However, it is considered that this risk is currently low, or could be mitigated with relative ease. • The College is already taking steps to preserve cash in response to its challenging financial position. <p>During discussions the following key points were noted:</p> <ul style="list-style-type: none"> • Brexit was not expected to have a massive impact on the sector 	

	It was RESOLVED to note the report	
17	<p>Initial Review of Property Strategy</p> <p>The following key issues were noted:</p> <ul style="list-style-type: none"> • The College appears to have more space than it requires at a number of sites, although the functionality of spaces is not always suitable. • The future of the Orpington campus needs to be considered together with the development, disposal or part disposal of the site • Options for the future of the Holly Hill site need to be considered in the context of the potential Place and Making Institute <p>It was confirmed the Executive will be working on testing some of the assumptions in the report in order to ensure the theory translates into sound operational practice and student timetables.</p> <p>It was AGREED the Property Strategy warrants further detailed discussions by the Corporation and/or a suitable sub-committee, in order to approve the strategy and determine the next steps.</p> <p>It was RESOLVED to discuss the matter at the Governors Strategy Day.</p>	
18	<p>London Aerospace and Technical College Update</p> <p>The Corporation considered the content of the report and approved the continued investment to take the project through to the end the June.</p> <p>During discussions the following key points were noted</p> <ul style="list-style-type: none"> • Corporation to approve Option 1 with commitment to spend of £100k between April and end of June. • Planning permission, although not guaranteed, is now expected to be granted. Support from residents and local authority and local councilors. <p>It was RESOLVED to note the report and proceed with recommendation.</p>	
19	<p>Future Greenwich Update</p> <p>The report provided the Board with a progress update. Key actions and issues arising were summarized in detail in the report that was made available to the Board.</p> <p>During discussions the following key points were noted:</p> <ul style="list-style-type: none"> • Detail discussions and decisions at Governors Strategy Day. • Decisions on GLA Grant applications due Friday 5th April. <p>It was RESOLVED to note the report and appendices.</p>	

20	<p>Pensions Audit</p> <p>Following queries from a number of staff across the College regarding their pension arrangements and payments, a full audit of pension arrangements and payments for all employees of the Group was commissioned covering the period since merger when the HR iTrent and payroll system was setup for the merged College. This matter and risk was brought to the attention of the Chair of Finance at the beginning of the year.</p> <p>The audit has now been completed and has revealed a number of system configuration, administration and procedural issues which have resulted in errors on behalf of a relatively small number of College employees. The errors relate to both employer and employee contributions over the three financial years since 1 August 2016.</p> <p>This matter was discussed with the Chair of the Corporation on 11 March 2019, and in order to ensure no adverse impact on staff or morale, a Chair's action was taken for the College to meet the employee contribution liability.</p> <p>It was confirmed the issues identified in the audit report are being addressed. The correction to staff pension records payments will be made during April 2019 in order to ensure staff are not disadvantaged in any way.</p> <p>During discussions the following key points were noted:</p> <ul style="list-style-type: none"> • Systems and procedural issues • Staff with two contacts resulted in some issues. • Key liability related to fifteen members of staff erroneously removed from the pension scheme in 2017. • Liability already built into the management accounts for current year. Some prior year adjustments to be considered. <p>It was RESOLVED to note the report.</p>	
21	<p>Use of the Company Seal</p> <p>The use of the Company Seal was noted on the Mayors Construction Academy contracts.</p> <p>It was RESOLVED to note the report.</p>	
22	<p>Any other Business</p> <p>There was no other business</p>	
23	<p>Date of Next Meeting</p> <p>Tuesday 09 July 2019 at 17.30 in C1/C2, Orpington Campus</p>	

Signature of Chair: 

Date: 9 July 2019

