

## **Minutes of a Meeting of LSEC Corporation held on Wednesday 13 July 2022 from 5.30-7.40pm via zoom**

### **Welcome, apologies and declarations of interest.**

Chair welcomed Governors and Executives.

Apologies received from Louise Nadal and Lucy Butler

### **Appointment of new Governors**

The Corporation **APPROVED** the appointment of Mark Burnett and Angela Hands as Governors with effect from 1 August 2022. Angela Hands was appointed as Group Chair Finance Committee.

### **Previous Meeting Minutes & Action Log**

The minutes of the previous meeting and action log were **APPROVED**.

### **Brought Forward from Previous Meeting: LSEC Board Evaluation & Action Plan**

The latest board evaluation and action plan was presented and approved.

### **Chairs' Summaries Verbal Update**

Update from **Chair of LSEC Curriculum & Standards** (Mark Trinick) was received which advised that the following items had been discussed, reviewed and recommended where applicable.

- Digital strategy update received
- Curriculum strategy and planning for 2023/24 was recommended to the Board for approval.
- Safeguarding mid-year review and update received
- Equality Diversity & Inclusion review and update received
- Gender pay analysis received
- Quality Improvement Plans for HE and FE
- English and Maths update
- KPI Scorecard review
- Review of Ofsted Readiness Plans
- Teaching Learning and Assessment Policy was recommended to the Board for approval.
- SAR Validation Process was presented for review
- Students Surveys responses provided
- Update on Complaints report and update on informal complaints received.

Update from **Group Audit and Risk Committee** (Ayorinde John) was received which advised that the following items had been discussed, reviewed and recommended where applicable

- External Board Reviews: update on the process and timing for review considered
- ONS reclassification received for information.
- Strategic Risk Register: reviewed and considered.
- Deep Dive on Capital Project: detailed discussions on the process and project planning around capital projects. Scrutiny and monitoring of capital projects to continue.
- Internal Audit Reports: Committee received a number of internal audit reports which provided good or strong assurance across a number of areas Governance, Financial Controls, Cyber Security Risk Management and Board Assurance, Funding and Apprenticeships.
- The Committee received the Internal Audit Plan and Fraud Avoidance Policy which were recommended to the Board for approval.

Update from the **Group Finance Committee** (David Eastgate) was received which advised that the following items had been discussed, reviewed

- 22/23 Enrolment position
- P9 Management accounts
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The Committee reviewed the following which were recommended to the Board for approval

- 2% Staff Pay Award
- Barclays Cost Indemnity Letter.
- 22/23 Budget
- Three Year Financial Plan
- 22/23 Financial Regulations.

A. College Executive Reports	
A1	Group Principal & CEO Report (including Video/Presentation on Year Review)
	<p>Group Principal &amp; CEO presented the comprehensive report which was take as read for the Corporation's information.</p> <p>Following items were highlighted for particular reference.</p> <ul style="list-style-type: none"> <li>• NSS results for HE provision were reported as particularly positive</li> <li>• English and maths achievement predicted to fall nationally following first examinations in 2 years.</li> <li>• Staff turnover and recruitment remained challenging, with staff migrating from London for life style changes post pandemic and returning to industry for higher salaries.</li> <li>• Apprenticeship performance currently under review.</li> <li>• Title challenge on a parcel of land next door to Bromley Campus under legal dispute.</li> </ul>
	Observations and Questions
	<p>The Board extended thanks to the Group Principal &amp; CEO on the comprehensive update across strategic and operational matters affecting the College</p> <p>The Board NOTED the report.</p>
A2	College Principal & CLO Update
	<p>College Principal &amp; CLO presented a comprehensive report which was taken as read for the Corporation's information.</p> <p>The following items were highlighted for particular reference</p> <ul style="list-style-type: none"> <li>• Adult recruitment had been a concern in the Summer term resulting in shortfall in funding against target and a net reduction in the forecast between P10 and P11 of 550k, budget savings had been affected to mitigate some of this loss income. To provide the Board with assurance a detailed analysis of forecasting process would be completed.</li> <li>• Change in provision had been introduced in year which had resulted in some overstatement of fully funded learners. Learners presented had been co-funding.</li> <li>• Attendance remained a concern to the end and hence concerns around achievement linked to non- attendance were flagged.</li> <li>• 2021/22 achievement rates were highlighted as an area of concern with estimated achievement rates likely to be in the 78% to 80% range. Staff would continue to work with students over the summer to support improved achievement.</li> </ul>

	Observations and Questions
	<p>In response to questions on attendance strategies applied and reasons for low attendance, it was reported that post pandemic issue and inability of some learners to engage in what had been a disrupted year due to the pandemic.</p> <p>Mental health issues continue to increase across all age groups.</p> <p>It was reported that a Restorative Now organisation had been commissioned to support some students particularly those in need.</p> <p>Staff are being trained in different techniques to deal with trauma and impact of this on our vulnerable students.</p> <p>In response to questions from the Board in relation to engagement in Maths which reported more challenging, the Board were advised that various strategies are being applied including working with external agencies.</p> <p>A revised English and Maths Strategy was being developed for the 2022/23 which would be presented to the board for approval at the next meeting. This would address barriers to maths and improved induction and tutorial programmes.</p> <p>The Board NOTED the report.</p>
A3	Curriculum Strategy Report
	Board noted the report and comments that this would be represented to the Board in the Autumn Term when more information on the procedures and process for Local Skills Improvement Planning was known.
A4	Collaboration & Partnerships Strategy
	<p>Strategy document was presented by the Executive-LW and linked to the Local Skills Improvement Planning referred to under item A.3.</p> <p>This strategic document outlined how the College would engage with strategic partners and the wider strategic approach required to be able to meet the new statutory requirements being placed on College Corporations. Further details in 2022/23 would be presented once Accountability Agreements had been finalised.</p>
	Observations and Questions
	The Board NOTED and <b>APPROVED</b> the strategic approach and ambition presented through the strategy document.
A5	Group Strategy Update
	<p>The Board received an update on the LSEC operating plan in relation progress against strategic objectives of the Group Strategy. It provided an update on the moving policy context in which the College is operating and how the Group Strategy is ensuring that strategically we are well placed to respond to this.</p> <p>The paper included summary update on progress made in the implementation of the Group Strategy for 2021/2022. A final end of year position of the Group will be reported to include social value generated against the 2020/2021 position once the Social Value Portal have verified the results.</p> <p>It was reported that good progress was being made towards embedding the ambition of creating social value across all business systems and processes and this is reflected in the traction that the College is gaining externally influencing the sector narrative on Anchor Institutions in FE and Civic Trusts in the Multi Academy Trust landscape.</p> <p>The Board were advised that a greater focus would be placed on how learners across the Group, in both the College and the Trust benefit from the wider advantages of the charity</p>

	and social enterprise partnerships that have been developed and how increased leaders and managers are supported in translating this ambition into direct experiences. Board were advised that there had been some real progress achieved in sustainability and embedding the concept and benefits of social value across the group.
	Observations and Questions
	The Board NOTED the progress made and how the College and Trust were operating as a group, moving into the final year of the strategy.

<b>B .Performance Standards &amp; Student Experience</b>	
<b>B1</b>	<b>Academic Performance Update</b>
	<p>The Board received the KPI report from the College Principal &amp; CLO provided an update on progress against a number of operational targets aligned to the Colleges Goals.</p> <p>The Board NOTED items on attendance and financial outcome which featured elsewhere on the agenda together with updates on the forecast achievement against specific targets relating to age, subject area and qualification type.</p> <p>The Board received an update on 2021/22 recruitment where it was reported that adult recruitment remained below target, and while considerable progress has been made through the growth of distance learning enrolments and improving the quality of the experience the forecast is that the GLA AEB provision will finish at c89% of full contract value.</p> <p>Planned summer enrolments are in place to lower this gap but there is a considerable risk that we will not achieve the adult funding target.</p> <p>In house apprenticeship income is forecasted to achieve 95% of target and there is a planned increase in average for funding per apprentice to continue to improve this position.</p> <p>The Board received an update on staff CPD and targets against the specific staff training including compliance training, which was reported as positive.</p> <p>The Board received a further update on recruitment and enrolment for 2022/23 including an analysis on applications.</p>
	Observations and Questions
	The Board NOTED the report and progress against targets.
<b>B2</b>	<b>TLA Policy Update (FOR APPROVAL)</b>
	<p>The TLA policy was presented for approval as recommended by the Curriculum &amp; Standards Committee.</p> <p>The Board were advised that changes to the TLA policy would result in a better learner experience, with a focus on staff coaching and a different approach to observations.</p>
	Observations and Questions
	<p>The Board welcomed the proposed changes to the policy, scrutinised by the Curriculum and Standards Committee.</p> <p>The policy was APPROVED.</p>
<b>B3</b>	<b>2022/23 Enrolment &amp; Recruitment</b>
	<p>The Board received the updated report which had been discussed under the KPI.</p> <p>It was reported that volumes of applications for FE and HE for 2022/2023 were down on the previous academic year but the number of live applications is up on the previous year</p>

	<p>due to less applications being withdrawn through internal progression errors or multiple applications being made.</p> <p>The Board received a verbal update on the new enrolment process which would be conducted in person in August 2022.</p>
	Observations and Questions
	The Board NOTED the report.
B4	FE & HE SAR/QUIP Update
	<p>The Board received the FE Quality Improvement Plan for consideration against progress and targets and a review of actions that would be carried for into the next academic year.</p> <p>It was reported that the plan highlighted three highest risks for the College</p> <ol style="list-style-type: none"> <li>I. Achievement of English and maths, particularly for functional skills</li> <li>II. Attendance</li> <li>III. Consistency of the quality of provision</li> </ol> <p>The Board were advised that a judgement of reasonable progress had been made as there remains some inconsistent practice in the quality of education across some curriculum areas and is particularly concerning in English and maths.</p> <p>It was reported that improvements in the Apprenticeship provision had resulted in the reduction in the risk level, particularly for the previously cited high-risk carry over learners and end point assessment.</p> <p>It was reported that it had been further supported by findings from the external apprenticeship review and recognition and award by City and Guilds for 'Excellence in EPA delivery'. The initial findings from the external consultant (Ofsted Inspector) suggested positive improvements in this area.</p> <p>The Board were advised that the monitoring and evaluation of the plan has resulted in managers having a deeper understanding of the effectiveness of teaching, learning and assessment in their areas, and therefore better equipped to support and challenge practices to improve the student experience.</p> <p>The Board were advised that Curriculum Managers and Professional Coaches have undertaken a Coaching Programme, to support conversations with teachers who have not met required standards. The coaches have also received positive feedback in the form of testimonials from teachers who were receiving coaching, reinforcing the effectiveness of the technique to facilitate improvement.</p> <p>In terms of next steps it was reported that close attention was being placed on formative assessments and in-year predictions, where performance at learner, course, and department levels are closely scrutinised with managers and their teams. In addition, the embedding of Internal Quality Assurance Review (IQAR) as part of the quality cycle, as a critical leadership and management development exercise will further develop our approach to quality improvement and resilience to external scrutiny.</p> <p>The Board received HE Quality Improvement Plan which measured progress and improvement against OfS Standards against four primary regulatory objectives, this ensures that all students, from all backgrounds, and with the ability and desire to undertake higher education:</p> <ol style="list-style-type: none"> <li>1. Are supported to access, succeed in, and progress from, higher education.</li> </ol>

	<p>2. Receive a high-quality academic experience, and their interests are protected while they study or in the event of provider, campus or course closure.</p> <p>3. Are able to progress into employment or further study, and their qualifications hold their value over time.</p> <p>4. Receive value for money.</p> <p>Key issues identified and reported to the Board include</p> <ul style="list-style-type: none"> <li>• Improving teaching and learning in Computing, Science and Business.</li> <li>• Continue to improve student satisfaction in all areas.</li> <li>• Ensuring HE compliance to QAA &amp; OFS.</li> <li>• Recruitment of the HE Student Experience Officer.</li> </ul>
	Observations and Questions
	The Board NOTED the report and update on progress.
B5	Student Involvement Strategy Update
	<p>The Board received the Student Involvement Strategy for approval. The strategy detailed how the College planned to embed a culture of collecting and responding to student voice to promote better engagement and empowerment and have a positive impact on the student experience and organisational reputation.</p> <p>It was reported that the strategy outlined the key principles of when and how student voice would be collected through:</p> <ul style="list-style-type: none"> <li>• Student Collective</li> <li>• Surveys</li> <li>• Focus Groups</li> <li>• Student Representatives</li> <li>• Student Council</li> <li>• Naturally occurring occasions</li> <li>• Developing a culture of continuous feedback</li> </ul> <p>The Board were advised that key changes to the approach to student voice included</p> <ul style="list-style-type: none"> <li>• Levels of student voice structures being reviewed, and the role of student council and student union will be merged into one student council for 2022/23 academic year.</li> <li>• Training sessions for student representatives and student council to be planned to develop advocacy, presentation and empowerment skills and competencies.</li> <li>• Encouraging managers and leaders to proactively seek out student voice throughout the academic year through unscheduled activities in central student spaces.</li> <li>• The importance of responding to student voice and outlines how this will be achieved and who will oversee the feedback.</li> </ul>
	Observations and Questions
	The Board NOTED the benefits and intent of the new strategy and APPROVED for implementation in 2022/23.
B6	Safeguarding Update Report ( <b>FOR APPROVAL</b> )
	<p>The Board was asked to note that safeguarding is effective with excellent practice in monitoring safeguarding concerns and responding appropriately.</p> <p>It was reported that an interim Head of Safeguarding, Designated Safeguarding Lead, was in place whilst a permanent postholder was being recruited.</p>

	<p>It was reported that Mental Health and Wellbeing remained the main reason for referral comprising 61% of recorded concerns and interventions.</p> <p>It was also reported that in period September 2021 to April 2022 there had been 30 recorded concerns related to peer-on-peer sexual harassment and sexual violence. There had been one LADO referral this academic year.</p> <p>The Board were advised that the Safeguarding Policy had been updated to reflect changes in KCSIE 2022, which was presented to the Board for approval.</p> <p>The Board were advised that issues identified include</p> <ul style="list-style-type: none"> <li>• Staff training to be delivered more frequently.</li> <li>• CPOMS to be used by more staff in the organisation to capture all low-level concerns and observations.</li> <li>• Consistency of delivery of preventative and safeguarding education across all curriculum areas.</li> </ul>
	<p><b>Observations and Questions</b></p>
	<p>In response to questions on actions to address the issues it was reported that</p> <ul style="list-style-type: none"> <li>• Training has been scheduled for this academic year which will be repeated annually</li> <li>• CPOMS is now part of the College Induction, it will be featured in the all staff training this academic year.</li> <li>• A new tutorial delivery method is proposed for September 2022 and content is being reviewed and updated.</li> </ul> <p>In response to questions in relation to volumes it was reported that there had been a rise in cases in 16-18s.</p> <p>The Board NOTED the report and APPROVED the Safeguarding Policy for implementation in September 2022.</p>
<p><b>B7</b></p>	<p><b>LSEC EDI Mid-Year Report</b></p>
	<p>The Board received the mid-year report on EDI together with the Gender Pay Analysis.</p> <p>The report summarised progress against EDI targets including the EDI Grants programme; progress against our EDI objectives; internal and external communications; Accreditations and memberships.</p> <p>It was reported that the EDI Grant Programme for staff and students launched in July 2020, had funded 6 grant projects, with other applications currently in development.</p> <p>The Board were advised on the good progress that had been made against EDI Objectives. Focussed areas to improve outcomes included.</p> <ul style="list-style-type: none"> <li>• Increase in staff disclosure rates</li> <li>• Increase in staff and student engagement in EDI initiatives, including Black History Month, LGBTQ+ History Month and Mental Health Awareness Month</li> <li>• Multiple projects are running to provide targeted support to students in order to best address and work towards reducing achievement gaps</li> <li>• A successful Stonewall Workplace Equality Index submission, where we were awarded the Silver Award</li> <li>• Increased engagement, participation, and collaboration with the Black FE Leadership Group (BFELG)</li> <li>• Staff training and talent management programmes aimed to facilitate pipelines and promotions for our under-represented staff.</li> </ul>

	<ul style="list-style-type: none"> <li>Engagement and collaboration with external parties, to share and adopt good practice on EDI Matters.</li> <li>Internal and External Communications</li> </ul>
	Observations and Questions
	<p>In response to questions on the gaps in achievement and outcomes for disadvantaged students. IT was reported that the yearend EDI Report would include analysis on gaps and how these had been reduced. EDIMS would be presented at December Board when achievement data had been finalised.</p> <p>The Board NOTED the reports.</p>
B8	HR Report & Update
	<p>The Board received an update HR Matters.</p> <p>It was reported that the HR business partnership model is now firmly embedded in working practices, and members of the team are working with and through managers to improve all aspects of the employee lifecycle.</p> <p>The Board were advised that SLAs were in place to ensure that there is a focus of the delivery of a good customer service to all our internal stakeholders.</p> <p>It was reported that continuous professional development, leadership and management development and the implementation of a competency framework, which aims to facilitate consistent leadership and management behaviours under our STAR values were in place.</p> <p>The Board received an update across sickness and absence, policy update, recruitment and employee relationships.</p>
	Observations and Questions
	<p>In response to questions from the Board, it was reported that recruitment and filling vacancies was the key issues, with hard to fill vacancies a reflected generally across the sector. As reported earlier in the meeting, staff choosing to relocate or change profession was resulting in significant concern.</p> <p>In response to questions, succession planning would be a key feature in 2022/23.</p> <p>The Board NOTED the report.</p>
B9	Subcontracting Controls ( <b>FOR APPROVAL</b> )
	<p>The Board were presented with a report on Subcontracting and the Subcontracting Controls Policy.</p> <p>The Board are required to maintain oversight and ensure that the provision subcontracted is in line with the college's strategic objectives, is robustly monitored for quality and meets the requirements of the funding agencies and audit requirements</p> <p>It was reported that the high-level subcontracting controls include:</p> <ul style="list-style-type: none"> <li>Procurement: The process and documentation used to procure subcontracting partners</li> <li>Due diligence: The process to ensure partners meet all the requirements from a compliance, quality and funding perspective.</li> <li>Contracting: The legal processes for contracting with partners</li> <li>Batch headed process- The data processing arrangements with partners to ensure timely processing of data in line with GDPR regulations</li> <li>Payment controls: The systems to support accurate payments to partners</li> </ul>



	<ul style="list-style-type: none"> <li>• Performance review meetings: half termly meetings reviewing all aspects of the subcontracted provision</li> <li>• Quality and Compliance visits: schedule of visits to supports the performance review meetings</li> <li>• Learner existence surveys</li> <li>• Subcontracting steering group: Chaired by College Principal and Chief Learning Officer which is responsible for the management oversight of subcontracting controls being implemented</li> </ul> <p>It was reported that the controls presented meet all the funding, audit and Ofsted requirements.</p> <p>The Board were advised that the total value of subcontracting in 2022/23 at the time reporting was £1.45m and relates Youth funded provision.</p> <p>The Board were advised that the management fees for subcontracted provision where this is contracted was 15% for ESFA Youth funded provision, and 20% for Adult Education budget (AEB) and Apprenticeship provision.</p> <p>In line with subcontracting rules the management fees in the contract is itemised detailing the services and associated to the costs.</p> <p>The Board received a copy of the certificate of assurance prepared by external auditors to confirm adequate controls were in place.</p>
	<b>Observations and Questions</b>
	The Board NOTED the report and presented Subcontracting Controls Policy, which was APPROVED.
<b>B10</b>	<b>Staff and Student Verbal Update</b>
	<p>Staff Governor reported that the HE move to Orpington was looking positive and staff were looking forward to the new location.</p> <p>Staff Governor reported that generally speaking it had been a positive year for staff.</p> <p>The Board extended thanks to the Staff Governor for his service.</p> <p>It was noted that a new Staff Governor would be nominated for next academic year.</p>

<b>C. Finance &amp; Audit</b>	
<b>C1</b>	<b>2021/22 Financial</b>
	<p>The Board received the report and were asked to consider the contents, approve a non-consolidated pay award of up to 2% to be paid in July 2022 based upon earnings in the 12 months to 30 June 2022 as set out in this report, approve the cost indemnity letter required by Barclays bank for signing by the executive and approve the external audit strategy recommended by the Audit &amp; Risk Committee</p> <p>It was reported that the Management Accounts for the period ended 30 April 2022 (Period 9) presented, showed that the adjusted operating position for the year prior to FRS102 charges, could be £0.3m better than previously forecast at £1m which is £0.5m higher than budgeted.</p> <p>This had been supported by a significant upturn in ALS income at period 9 following clarification of values due from the London Borough of Bromley although a downturn in the AEB income now predicted and realised after the Finance Committee in June, would alter the outturn reported in the paper.</p>

	<p>The Board were advised that Barclays had provided the indicative terms for the new loan arrangements, and these are largely unchanged from our existing terms. It was reported that further negotiations will need to take place to agree the financial covenants once the medium-term financial plan is shared with Barclays.</p> <p>The Board were advised that in order to meet progress with the loan, Barclays require the College to provide a cost indemnity for engaging legal advisors and proceeding to document the loan which is normal practice.</p> <p>The Board were advised that given the pressures on pay awards and the increasing threat of industrial action in the sector, the Corporation was asked to approve a non-consolidated pay award of between 1% and 2% for staff, in order to assist with the current economic conditions, to reduce pressure for a high early pay award in 2022/23.</p> <p>It was reported that the College had received the annual letter from the ESFA setting out its assessment of financial health for the year ended July 2021, which was confirmed as Outstanding.</p> <p>The ESFA has also produced a financial dashboard for governors based upon the financial information submitted by all Colleges and this was provided to Governors in the Reading Room.</p> <p>The Board received the external audit strategy which had been approved by the Audit Committee setting out details of the services to be provided in relation to the annual external audit together with the proposed timetable, and costs. In addition, the document set out some of the key considerations and risks to be taken into account both by the external auditors and the Board.</p>
	<p><b>Observations and Questions</b></p>
	<p>In response to questions on the AEB shortfall it was reported that the ESFA AEB funding was worst affected in terms of percentage delivery but at a lesser value. GLA delivery was now forecast at 85% of contract a shortfall from threshold of 12%. Clawback is likely to be in the region of £1.8m.</p> <p>The Board APPROVED</p> <ul style="list-style-type: none"> <li>• Non-consolidated pay award of up to 2% to be paid in July 2022 based upon earnings in the 12 months to 30 June 2022</li> <li>• Cost indemnity letter required by Barclays Bank</li> <li>• External audit strategy recommended by the Audit &amp; Risk Committee</li> </ul>
<p>C2</p>	<p><b>2022/23 Budget Report (FOR APPROVAL)</b></p>
	<p>The board were presented with the Budget Report for 2022/23.</p> <p>It was reported that preparation of the annual budget for the College had been a challenging process in the context of the current economic conditions with high inflation and energy costs, together with static base rates for adult funding, and generally accepted low funding rates and underinvestment in the sector.</p> <p>It was reported that the curriculum plan and related budget for 2022/23 included what senior management considered to be realistic assumptions of enrolment levels and modest growth where this is expected for 2022/23.</p> <p>The Board were advised that the budgeted operating surplus for 2022/23 prior to property strategy costs of £0.35m is £0.42m lower than that budgeted for 2021/22. After allowing for £0.25m for property strategy costs, the budgeted surplus of £0.1m is £0.4m lower than that</p>

	<p>budgeted for the current year in the context of the economic challenges and our investment in quality improvements.</p> <p>Board were advised that this reduced surplus had a related impact on our education-specific EBITDA with the budgeted value of £2.9m for 2022/23, being circa £0.5m less than the 2021/22 budget and £0.87m lower than forecast in the current year.</p> <p>It was reported that after estimated non-cash FRS102 pension adjustments of circa £3.35m are included, the total deficit for the year is budgeted to be £3.25m.</p> <p>The FRS102 pension costs were a noncash adjustment over which the College has no control, and the actual value of this item is determined by the Actuary for the pension scheme after the end of the financial year and may be significantly higher or lower than budgeted.</p> <p>With the lower EBITDA for 2022/23 and our slightly higher income, our EBITDA as a percentage of Income has reduced by circa 1.3% to 5.8%. This has resulted in a 20-point 225 2 reduction to the related financial health score attributed to this ratio.</p> <p>It was reported that as a consequence, the financial health of the College as assessed under both the current and proposed methodology is expected to reduce from Outstanding, to the top end of 'Good' in 2022/23.</p> <p>The Board were advised that the staff costs ratio for 2022/23 is expected to increase by circa 2.8% from the current year forecast and is budgeted slightly above the benchmark 66.2%. This is as a result of the full year impact of the pay award for 2021/22 together with the budgeted pay increase of 3% for 6 months of the year and increased classroom delivery planned for 2022/23 in lieu of distance learning provision.</p> <p>The budget includes the planned ongoing annual recurring capital expenditure for the year of £1.25m, together with the expected cash flows relating to Future Greenwich rebuild and the A Block remodelling (FECTF Grant) projects. Details of the significant property projects and impact on the budget were provided for in the report.</p> <p>The Board were advised that given the significant number of unknown factors for the College next year including learner recruitment, the current economic climate, and a difficult labour market, the budget does include a central contingency within non-pay to mitigate a proportion of these risks if required. However, this is a lower level than we have carried in recent years.</p> <p>It was reported that no provision has been made in the budget for any merger or transfer-related costs. Should any such event take place during the year, it is expected that the additional contribution from such transfer would exceed any in-year costs.</p>
	<p><b>Observations and Questions</b></p>
	<p>In response to questions from the Board on cashflow it was reported that this was not an issue.</p> <p>In response to questions from the Board it was reported that bank loans increased the RCF to £5m.</p> <p>In response to questions from the Board on the financial position affecting Ofsted readiness, it was reported that there is more investment in quality and curriculum in 2022/23 to support good quality.</p>

	<p>In response to questions around the contingency it was reported that enrolment and recruiting to plan were important factors to ensure this was not exhausted. Enrolment shortfalls would need to be addressed.</p> <p>The Board APPROVED the 2022/23 Budget as presented.</p>
C3	<p>2022/23: Three Year Plan (FOR APPROVAL)</p>
	<p>The board were presented with the Three-Year Plan.</p> <p>It was reported that Financial Memorandum with the Education Skills Funding Agency (ESFA) requires the College to prepare and submit a three-year financial forecast by 31 July of each year.</p> <p>The Board were advised that the ESFA had made improvements to the CFFR since last year. This included the ability to phase receipts of £15.92m sales proceeds on the Plumstead project which the model could not cope with last year.</p> <p>It was reported that the CFFR has a number of reports which the ESFA and FE Commissioner consider College Corporations require, and these were provided to the Board as appendices.</p> <p>It was reported that the Three-Year Financial Plan in the CFFR shows the period 9 forecast outturn for the current year, the budget for 2022/23 as presented to the Board and a forecast budget for 2023/24.</p> <p>It was reported that due to the period of major capital investment, we have taken the forecast out to 2027 in order to assess our long-term solvency position if our EBITDA remains at 2022/23 budgeted level, and with no new major capital investment or loans.</p> <p>These forecast scenarios reported that this would be achieved, and the College would end July 2027 with circa £10m of cash, which would be a reasonable level. The ESFA commentary requirements to accompany the CFFR are significant, and this was provided in the appendices.</p> <p>It was reported that the detail in the plan for 2023/24 was based upon anticipated activity and related expenditure for that year in line with predicted growth, together with logical assumptions regarding grant and other funding values. These had all been agreed with senior curriculum leaders. The plan also included the major capital project cash flows in respect of the Future Greenwich and FECTF projects. The receipt of the agreed capital grants of £10m and £11.89m respectively are factored over the life of the projects in accordance with anticipated expenditure.</p> <p>The Board were advised that on the basis of the assumptions included in the plan, and should inflationary pressures continue to be above 2% with no related increase in funding rates per pupil, efficiency savings totalling at least £1.28m will be required in 2023/24 in order to maintain our EBITDA, financial health and compliance with bank covenants.</p> <p>IT was reported that further efficiency savings of circa £0.9m are likely to be required in 2024/25. However, strategic developments which are currently being explored, funding rate increases, or additional growth, may mitigate some of need to make significant savings.</p> <p>The Board wer advised that the financial health of the College is expected to be assessed as 'Good' for both 2022/23 and 2023/24 with the decline from Outstanding relating to the reduced EBITDA which has been budgeted in the current economic climate.</p>

	Observation and Questions
	After brief discussion regarding the three-year plan and presented forecasts and assumptions, the Board APPROVED the Three-Year Financial Plan.
C4	2022/23 Financial Regulations (FOR APPROVAL)
	<p>The Board were presented with the Financial Regulations which had been reviewed for 2022/23 and a number of changes been made.</p> <p>It was reported that many of the changes relate to post titles and other minor grammatical and administrative alterations with the material amendments and significant changes related to the section on assets and property where the content has been strengthened in response to an internal investigation this year regarding a potential theft.</p> <p>The Board were advised that this section now makes it very clear that assets and property include any items purchased by or donated to the College. In addition, it is now made very explicit that any items of waste that have a scrap or disposal value are assets, and each and every disposal must be approved by a College Principal.</p> <p>It was reported that the Financial Regulations have been considered by the Finance Committee and were recommended to the Corporation for approval.</p>
	Observations and Questions
	Following brief discussions on the change to the Regulations, the Board <b>APPROVED</b> the Financial Regulations for 2022/23.
C5	Property & Capital Update
	<p>The Board were provided with a detailed report and paper on the progress towards implementing the approved Estates Strategy and the associated projects.</p> <p>It was reported that the Plumstead project is now within the legal 'judicial review period', ahead of it becoming unconditional and legal completion occurring in late June/early July.</p> <p>The cost of the main construction project has been reassessed at £32.5m, and as previously reported an additional £3.8m is forecast as required at this time, mainly due to construction inflation and increased risk provision. It was reported that stage reviews will continue, and costs are expected to continue to rise within volatile market conditions.</p> <p>The Board were advised that to address some of our major capital liabilities, we have been successful in one of our two DfE bids entitled FE Capital Transformation Fund. This will refurbish the east wing (in full or part to be determined) of the main original block in Bromley with a grant of £13.7m plus our match funding of £4.5m. The second project to build a new Aerospace/Green Technologies building on the front of Bromley T Block had been unsuccessful.</p> <p>Capital liabilities in our existing built estate are presenting a high risk of critical failure, which could interrupt and stop altogether our education delivery.</p> <p>The Mayors Construction Academies projects are progressing, but legal matters and grant draw down are now delaying progress.</p> <p>The Board received an update on a dispute with Rookery Estates in relation to a parcel of land adjacent to the Bromley Campus.</p>
	Observations and Questions
	In response to questions from the Board, it was reported that increasing costs due to rising inflation was the more critical factor the capital program in addition to the availability of skilled and professional construction workers.

	<p>In response to a request by the Executive it was APPROVED for Group Principal &amp; CEO and Group CFO to authorised to sign the Deed of Variation in relation to Future Plumstead.</p> <p>The Board NOTED the report.</p>
C6	<p><b>Risk Register Report</b></p> <p>The Board received the report on the Risk Register and details of the risks that had increased or reduced.</p> <p>It was reported that of the 41 risks currently identified on the risk register, 10 are High, 24 as Medium and 7 as Low.</p> <p>The following risks are reported as being increased.</p> <p>Risk C3 relating to declining results or trends triggering an early Ofsted inspection was increased as a result of the predicted risk of a decline in achievement rates, particularly in English and Maths including carry over learners. In addition, the distance learning provision with significant growth provides a further potential risk. The risk score was increased by 10 to 24 and is now considered to be a High rather than Medium Risk.</p> <p>Risk C8 which covers the failure to implement an effective British Values and Prevent strategy has increased with it being highlighted that the preventative education of delivering key prevent messages and British values is inconsistent and in need of improvement. The policy and strategy behind this need to have a more operational impact and will be addressed through the new tutorial plans for the next academic year. As a consequence of the above, the risk score has increased by 7 to 15 and was now considered to be a Medium rather than Low Risk.</p> <p>Risk C24 which covered insufficient investment in the College infrastructure and equipment has been reviewed and amended to focus upon our significant capital lifecycle liabilities for our ageing estate. With liabilities for assets which are already or shortly due to become the end of life far exceeding the resources available to the College, and with some failures likely to result in building closures, this risk has been scored at 21 and is considered to be a High risk. This represents an increase in the previous risk which was scored as Medium.</p> <p>Risk C31 which covers the position of College in league tables, or student satisfaction tables has increased with learner satisfaction rates for further education being low at 58% for recommending the College to families and friends. As a consequence of this, the risk score has increased by 6 to 21 and is now considered to be a High rather than Medium Risk.</p> <p>Risk C32 relating to the safeguarding of learners has increased as it has been identified that we need to carry out more regular staff training in order to ensure gaps in knowledge do not develop. This training has historically been on a tri-annual basis, and this will be moving to annual for 2022/23. This risk score has increased by 6 to 18 and is still considered to be a Medium Risk.</p>
	<p><b>Observations and Questions</b></p>
	<p>The Board Noted the Risk Register and increased risk areas.</p>
C7	<p><b>2022/23 Internal Audit Plan Report (FOR APPROVAL)</b></p>
	<p>The Board received the Internal Audit Strategy and Plan which had been developed in consultation with the Chair of the Audit Committee, the Head of Internal Audit, Group Chief Executive Officer and the Group Chief Financial Officer.</p>

	<p>The plan was structured to provide the Corporation with an overall annual opinion over the key areas of risk and assurance.</p> <p>The Board were advised that the plan covers the main areas of risk to be considered on an annual basis including Key Financial Controls, Student Funding &amp; Learner Numbers, and Cyber Security.</p> <p>The plan also included a number of other audit areas for review for 2022/23 which include but are not limited to; Health and Safety; Learner Enrolment, Human Resources – Performance Management; Environment, and Social &amp; Governance (ESG).</p> <p>The internal audit plan contains provision for 100 internal audit days which is the same as previous year.</p> <p>The Board were advised that although this is considerably higher than the average number of days for a similar sized College, this is considered to be appropriate given the complexity of the group and the plan does cover both the College and Multi Academy Trust, and the assurance provided over the risks considered audits, is considered to provide value for money.</p> <p>It was reported that the content of the plan and suggested internal audits have been considered by the Audit &amp; Risk Committee and the plan is recommended to the Corporation for approval.</p>
	<b>Observations and Questions</b>
	After due consideration and review of the plan, the Board APPROVED the Internal Audit Plan for 2022/23.
<b>C8</b>	<b>Fraud Avoidance Policy Update (FOR APPROVAL)</b>
	<p>The Board were presented with the Fraud Avoidance Policy.</p> <p>The Board were advised that it is the responsibility of the Corporation to safeguard its funds and assets this extends to the prevention of loss through fraud and irregularity. This responsibility extends to preventing losses of public funds, and this means that the Corporation and Senior Management must be aware of the risk of fraud and irregularity occurring within the College.</p> <p>It was reported that the Group Fraud Avoidance Policy has been updated and mainly contains only a number of minor updates from the current policy such as changes to post titles and other administrative changes due to the change of structure within London South East Academies Trust including the move away from the Executive Headteacher model.</p> <p>In addition, other changes include extending the definition of theft in section 3.4 to include other assets in addition to stock, together with waste materials as these can have a disposal value. In addition, Ransomware has been referred to within paragraph 3.5 as this is a new area of threat that has not been captured in the policy previously.</p> <p>Finally, adherence to the Anti Bribery and Corruption Policy has been referred to as a key internal control.</p>
	<b>Observations and Questions</b>
	The Board APPROVED the Fraud Avoidance Policy.

D. Governance items			
D1	Governance Matters		
	<p>The Board were asked to</p> <ul style="list-style-type: none"> <li>To REVIEW and ADOPT the 2022/23 LSEC Standing Orders</li> <li>To CONSIDER and NOTE the revised DfE FE Governance Guide.</li> <li>To APPROVE the Board Register</li> <li>To CONSIDER and NOTE the 2022/23 Meeting Schedule</li> <li>To CONSIDER and NOTE the requirements for College Corporation External Reviews.</li> <li>To CONSIDER and NOTE the ONS review to reclassify FE Colleges as public sector bodies.</li> </ul>		
	Observations and Questions		
	The Board accepted and NOTED all items presented and APPROVED the Board Register and agreed to ADOPT the Standing Orders.		
D2	Complaints Policy Update	D2.1	Complaints Policy
	<p>The Board were asked to APPROVE the LSEC Complaints Policy which had been revised and updated to include a more robust informal procedure.</p> <p>As previously reported to the Board, capturing and reporting on thematic areas of the informal complaints process supports and aids better understanding of the holistic student experience and how this can be improved, triangulating with other activities, for example student surveys, Student Council Meetings and Meet the Principal events, where student voice is captured and reflected.</p> <p>The Board were advised that the policy document had been reviewed by a small task and finish group including the COO Curriculum, Quality Director and Manager, senior administrator and the Group Executive Director Governance.</p> <p>A focus and review of the informal process has identified that some informal complaints have taken longer to respond and resolve than deemed appropriate. Applying a timeline for responses which mirrors the formal complaints process, will ensure that informal complaints can be monitored, tracked and resolved in a timely and more satisfactory manner.</p> <p>The Policy document had been updated to include this additional process for informal complaints alongside reviewed standard response letters and communications to complainants.</p>		
	Observations and Questions		
	The Board NOTED the report and policy and <b>APPROVED</b> the policy which is required to be published on the College website.		

**AOB**

**Next meeting date: 13 October 2022 5.30-7.30pm in person**



**Attendees:**

David Eastgate (DE)	Chair	
Louise Nadal (LN)	Vice Chair	
Dr Sam Parrett, CBE (SP)	Group Principal & CEO	
Jane Hobson, OBE (JHo)	Governor	Apologies
Christopher Briggs (CB)	Governor	
Mark Trinick (MT)	Governor	
Ayorinde John (AJ)	Governor	
Lucie Allen (LA)	Governor	
Chinyama Okunuga (CO)	Governor	
David Bailey (DB)	Governor	
Lucy Butler (LB)	Governor	Apologies
Joanne Bell (JB)	Governor	
Barry Spencer (BS)	Staff Governor	
Angela Hands (AH)	Governor (to be appointed at the meeting)	
Mark Burnett (MB)	Governor (to be appointed at the meeting)	Not required

**Governance Professional & Clerk to the Board**

Jennifer Pharo (JP)	Group Executive Director Governance
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**Executive Officers in attendance**

John Hunt (JHu)	Group CFO & Deputy CEO Trust
Asfa Sohail (AS)	College Principal & CLO
Louise Wolsey	Group Chief Strategy Officer (LSEC)

**Officers in attendance for specific items**

Beth Moore	Group Head Safeguarding (Item B7 & 8))
Janet Curtis Broni	Group Chief People Officer (Items B8 & 9)
Andy Simpson	Group Director Estates (Item C5)

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**Reading Room Items**

- A1.1 Policy Briefing July 2022
- A1.2 Strategic Risk Register
- B3.1 TLA Policy
- B6.1 2022/23 Safeguarding Policy
- B7.1 EDI Scorecard & Gender Pay Analysis
- B9.1 2022/23 Controls Policy
- B9.2 Assurance Reports
- C1.1 P9 Management Accounts
- C1.2 ESFA Financial Health Letter
- C1.3 ESFA Governing Body Financial Dashboard
- C1.4 Indicative Terms
- C1.5 LSEC External Audit Strategy
- C4.1 LSEAT Financial Regulations Policy
- C6.3 LSEC Risk Entries
- C6.4 Risk Scoring Matrix
- C7.1 Internal Audit Plan
- C8.1 Fraud Avoidance Policy
- D1.1 Standing Orders
- D1.2 DfE FE Governance Guide
- D1.5 Board External Reviews
- D2.1 Complaints Policy

Minutes APPROVED :



David Eastgate, Chair  
13 October 2022