



SOUTH GLOUCESTERSHIRE AND STROUD COLLEGE
FURTHER EDUCATION CORPORATION

Approved minutes of a meeting of South Gloucestershire and Stroud College
Further Education Corporation
Held on 1 December 2022
At Stroud Campus, Stratford Road, Stroud, Gloucestershire

Present:

David Hagg	(Chair)
Douglas Blackstock	
Louise Bright	(Via Microsoft Teams)
Lynne Craig	
Mike Croker	
Phil Eames	
Sophie Green	
Kevin Hamblin	(CEO & Executive Principal)
Dave Merrett	
Irene Molodtsov	
Gary Parsons	

In Attendance:

Rich Aitken	(Head of Finance)
Gavin Murray	(Deputy Principal)
Jude Saunderson	(Chief Financial Officer)
Sara-Jane Watkins	(College Principal)
Sharon Glover	(Clerk)

1. **Apologies for Absence**

Apologies were received from Matt Davis, Moira Foster-Fitzgerald, Sophie Chester-Glyn, Catherine Green and Rick Sturge. Khadija Nisar did not attend the meeting.

2. **Declarations of Interest**

The following declarations of interests were raised:

- Louise Bright, Kevin Hamblin and Dave Merrett as Directors of SGSCSL in agenda items 5d and 6.
- Douglas Blackstock in agenda item 14 in relation to his re-appointment.

3. **Minutes of Previous Meeting**

The minutes of the meeting held 3 November 2022 were approved and signed as a correct record by the Chair.

4. **Corporation action log**

Members received an update on the action log. The Clerk confirmed that the one outstanding action had now been completed.

Nathan Coughlin from Bishop Fleming (External Auditors) was welcomed to the meeting.

5. **SGS College Annual Report and consolidated Financial Statements**

The Chair of the Audit Committee (Mike Croker) reported that the documents being presented at the meeting had received detailed scrutiny at the recent Audit Committee meeting, at which Bishop Fleming had also attended. Nathan Coughlin was then invited to present their Management Letter.

- a) Financial Statements Auditor's Management Letter – Bishop Fleming reported that the audit process had gone well with a smooth handover from KPMG. Members were informed of historical accounting errors relating to investment properties and deferred tax within SGS Commercial Services, which had now been corrected. Attention was drawn to the addendum to the Management Letter that had been produced subsequent to the Audit Committee meeting. Although a clean audit was anticipated, Bishop Fleming would not be able to sign off the accounts until the outcomes of the ESFA and WECA funding audits had been received. The Executive Team had done what they could to provide assurance and although the Corporation could still approve the end of year accounts, the funding auditors are being chased for their final reports. The Chief Financial Officer informed members of the maximum exposures for each audit and further work on these audits was not anticipated. If further samples are requested then it will unlikely to be a material error. The College is meeting with the ESFA on 5th December at which the delay in sign off of the accounts will be raised.

Bishop Fleming referred to their Letter of Representation, that required Corporation approval, together with confirmation that the Financial Statements are true and correct to the best of the Corporation's knowledge and that everything has been disclosed.

- b) SGS College Annual Report and consolidated Financial Statements 2021/22 – The Chief Financial Officer referenced page 6 that provided the underlying financial position. Following the outcome of the recent ONS reclassification review there was a need to add a post balance sheet note to the financial

statements, the wording having already been circulated to the Corporation. Further minor amendments were also raised and the Head of Finance presented minor changes made, and agreed with the Chair of the Audit Committee, following queries raised at the Audit Committee meeting.

- c) Going Concern review – The Head of Finance explained that the Corporation has to confirm in its Annual Report that the College Group is a going concern and explained what this means in accounting terms. Members were reminded that going concern was also considered as part of the approval of the budget and 2-year Financial Plan. The College’s aim being to achieve “Good” financial health, be it challenging.

Members were informed that although the plan was to consider a financial lease for the development of the 3G pitch at WISE campus it was more cost effective to pay for it out of College reserves and this had been reflected in the management accounts. It was also reported that the College had repaid the balance of the £4m loan therefore saving on interest costs to offset against increased bank interest rates on other loans.

The Chief Financial Officer explained that a benefit of the ONS reclassification is that the ESFA will be addressing the usual dip in cash flow in March by making payments to Colleges to smooth out their cash flows. When asked, confirmation was received that the early loan repayment had been reflected in the cash flow forecasts. Bishop Fleming commented on their satisfaction with the report, especially as they also need to sign off going concern. Due to ONS reclassification there will be lower risks for Colleges and ESFA are holding a briefing the next day on these changes. Confirmation was received that there would be no impact of the ONS reclassification on the sign off of the accounts. When asked by the Chair, the Corporation agreed that the College Group was considered to be a going concern.

As with previous years, the Chief Financial Officer raised the need for Corporation to approve a Letter of Support to SGSCSL Board covering the next 12 months in order to support their going concern and enable the sign off of their accounts. The draft letter having been circulated in advance of the meeting.

- d) SGS Commercial Services Annual Report and Financial Statements 2021/22, Management Letter and Letter of Representation were noted.
- e) The reconciliation between management accounts and financial statements was noted. The Chair of the Audit Committee commented that this reports on any adjustments arising between the July 2022 Management Accounts and draft 2021/22 Financial Statements.
- f) Internal Audit Service Annual Report – The Chair of the Audit Committee reported that a clean audit opinion had been provided and there was nothing to bring to the attention of the Corporation.

- g) 2021/22 Annual Report of the Audit Committee, including the annual risk management report – The Chair of the Audit Committee informed that the report was a summary of the Committee’s work and is a positive report with no issues to raise.
- h) Letter of Representation to Bishop Fleming – The Chair of the Audit Committee reported that there were no unusual representations to make.
- i) Minutes of the Audit Committee meeting held 14 November 2022 were noted.

The Chair of the Audit Committee and Chair of the Corporation passed their congratulations and thanks to the Chief Financial Officer, Head of Finance and Teams for the pleasing clean audit outcomes.

As Directors of SGSCSL, Louise Bright, Kevin Hamblin and Dave Merrett refrained from resolution (vi).

It was resolved to approve the:

- (i) 2021/22 Annual Report of the Audit Committee, including the annual risk management report;**
- (ii) Internal Audit Service Annual Report;**
- (iii) Financial Statement Auditor’s Management Letter;**
- (iv) SGS College Annual Report and consolidated Financial Statements 2021/22, for signing by the Chair of the Corporation and Group CEO & Executive Principal/Accounting Officer, subject to changes discussed. Delegated authority was also provided to the Chair of the Corporation to agree any non-material changes that may arise from the outcomes of ESFA/WECA audits, with ratification at the January Corporation meeting;**
- (v) Letter of representation to Bishop Fleming, for signing by the Chair of the Corporation;**
- (vi) Letter of Support to SGSCSL, for signing by the Chair of the Corporation.**

At this point Nathan Coughlin left the meeting.

6. **SGS Commercial Services Limited**

Members received a report from SGSCSL, which included the Annual Report and updates against KPIs. Dave Merrett (Chair of SGSCSL) reported that the STEP project had not been successful but other opportunities were being considered. Focus is on the production of a site master plan and tenders are being sought for its production.

The report was noted.

7. **Presentation – College Self-Assessment**

The Deputy Principal provided a presentation in support of approval of the College Self-Assessment Report. The following was covered:

- Ofsted inspection framework is different than pre-pandemic and a new key judgement relating to skills has been included and will be judged in three ways. Safeguarding still remains a limiting grade.
- Achievement and pass rate trends were presented, having seen a drop, in particular in basic skills due to the pandemic and prior skills knowledge of learners. This has been identified in the College SAR along with new and inexperienced staff supporting learners.
- Retention is problematic and impacts on outcomes. The same retention trends are being evidenced this year. It is increasingly difficult for learners to travel to College due to a decrease in public services. Behavioural impacts when learners are on site also need to be considered.
- GCSE trends have improved but needs to be kept in context. There is a need to address issues re: skills gaps/teaching.
- The curriculum has been modified and adapted to take into consideration the educational recovery, but has not been as successful holistically for adults and apprenticeships. This is a focus in the improvement plan.
- Following the pandemic, the biggest gaps are in English and Maths and personal development.
- Overall effectiveness has been judged as “Good” and comfort was provided that everything being done is the right thing to do.
- Although there had been lots of achievement and successes from last year’s improvement plans they were not as effective as they could have been and this will be addressed in this year’s improvement plans.

The Deputy Principal was thanked for his presentation. When asked whether dips in achievement have been evidenced in other Colleges, members were informed that there is a mixture of outcomes. Members raised the need to focus on retention at SGS and were informed that the cost of living increases and travel to College were some of the challenges being faced. The poor transport inhibiting learners getting to and from College was endorsed by the Staff Governor.

Due to increased deprivation, some learners are arriving at College hungry and the College has spent money on providing breakfasts for these learners. A phone app has also been introduced so that free breakfasts can be discretely provided. Also, learners are choosing to leave College and start work in order to bring money into the family and apprenticeships are dipping nationally. Members questioned the mitigations in place should learners not be able to attend in person. Members were informed that the

emergency plan is to re-introduce online teaching but this creates additional pressures on staff and learners do not receive the same educational experience and miss out on socialisation. As much of the College's provision is vocational, online teaching does not lend itself well to this type of delivery especially for Level 1 and Level 2 learners. One of the governors raised that retention at the University where she works is a massive issue and appears to be a sector-wide issue. The University is placing more investment into their wellbeing and retention teams.

Following consideration of the College Self-Assessment Report, it was commented that the College appeared to be too harsh on itself and the impact on staff morale was raised as a concern. Members were informed that the aim was to focus on areas for improvement and when department area reviews were undertaken the SAR reflected well across the College and had been validated in each area. Members were informed that the SAR was a reflection of last year and were assured that the College can evidence rapid improvements against some areas. Although there has been a high churn of staff teaching English and Maths, the GCSE outcomes had been excellent in comparison to national performance.

Members questioned whether there were any cross curriculum/campus themes arising and were informed that there weren't huge differences and the behavioural concerns at Filton have not been replicated across the other campuses. Members were informed that predominantly at Filton it is challenging to recruit to the curriculum areas. However, despite challenges at Filton campus there are no negative impacts across the College.

Members raised the need to ensure the College is not too self-critical and that importance is placed on reflection and taking actions. The need to reflect on the risk register was raised as the political and economic issues together with the educational declines, due to the pandemic, and student hardship has put a strain on leadership and learners. The need to lobby MPs and AoC was raised as government aren't taking notice and there is a lack of funding to the sector. The ONS reclassification will also have an impact on Colleges with swifter government intervention anticipated. Governors were assured that the College is doing what it can and continues to invest into staff development together with the introduction of the progression scheme. Governors recognised that the College Executive Team were doing what they could in challenging external circumstances and that governors have been made aware in order that they can support the College where possible.

The Chair referenced the decisions required in the report for agenda item 8.

It was resolved:

- a) **To approve the 2021/2022 Self-Assessment Report (Further Education).**
- b) **To approve both the 2021/2022 Self-Evaluation Report (Higher Education) and the Higher Education Access and Participation annual report.**
- c) **To designate approval of the OfS Access and Participation plan impact monitoring return for 2021/2022, due in April 2023, to the Group CEO & Executive Principal, as Accountable Officer for the Office for Students.**

8. **College Self-Assessment**

This agenda item was covered as part of agenda item 7.

9. **FE & HE Improvement Plans**

The Deputy Principal presented the HE & FE Improvement plans 2022/23 and final updates to the 2021/22 HE & FE Improvement plans. Following scrutiny, members questioned the reasons for a decline in HE student satisfaction. Members were informed that this related to resources at The Zoo. A focus group was arranged to discuss concerns and issues have been addressed. Members raised that it wasn't clear that it was an isolated course related concern.

Members questioned whether there was further quantifiable detail sitting beneath the action plans. The Deputy Principal advised of the intent to obtain agreement to the overarching improvement plan first and then targets will be set in each curriculum area. Confirmation was provided that further detail will be provided at the next update.

The report was noted.

10. **Higher Education report (including HE Fee Policy and strategic review)**

The Deputy Principal presented the report and confirmed that, due to cost of living increases, there are no changes proposed to the Fee and Bursary Policy for 2023/2024. Members were informed that the College has not applied for the Teaching Excellence Framework (TEF) as the College delivers smaller programmes with low continuation levels. This will be reviewed next year as fees cannot be increased if the TEF is not in place. Also appended to the report was a report from the University of Gloucestershire on the partnership between them and the College.

It was resolved:

To approve the Higher Education Fee and Bursary Policy 2023/2024.

11. **Management Information**

The Head of Finance reported that the current focus is on reforecasting. Attention was drawn to the student debt being written off, the majority of which pertained to data which had come across from previous systems. Confirmation was received that bad debt had been considered by the Audit Committee at their last meeting. Further information will be provided in the next report, following a tidy up exercise.

The Head of Finance explained that the cashflow forecast versus actuals had a £850k variance due to a delay of payment from DISE funding from Sports Aid. Confirmation was received that by the time of this meeting the October payment had been received and confirmation has also been received that there will be no delay with their March payment.

Members raised that the reliance on existing staff is being emphasised as it is challenging to secure agency staff and longer term this is not sustainable. The knock-on effects of current challenges are being evidenced in staff absences, the College Self-Assessment Report and Management Accounts.

The report was noted.

12. **CEO & Executive Principal's Report**

Confidential Item.

13. **Principal's Report**

The Principal reported on the following:

- a) Horizon 38 – the aim is that the full Bristol construction apprenticeship provision will move to Horizon 38 from January 2023.
- b) Beacon Award Finalists – The College is a finalist in the AoC Award for Widening Participation. The winning College will be announced in the spring. The Chair raised that he felt sure the College would be eligible for further Beacon awards in other categories.
- c) Pay awards – Confirmation was received that following the end of year audit a staff pay award of 1% non-consolidated would be payable subject to the College achieving “good” financial health. Although the audit had not yet been closed there is a positive cashflow position and “good” financial health achieved. Approval to the pay award was re-affirmed by the Corporation.

Members raised that some governors had been experiencing issues accessing the links to complete the KCSIE training and the Principal was asked to

investigate further and reminders issued to those governors that need to complete.

Members requested an update on the Head Teacher recruitment for 14-16 SGS Create. Members were informed that interviews are taking place on the 9th December.

Members raised that safeguarding concerns had increased by 4% and whether there was sufficient staff resource. Members were informed that a Wellbeing restructure had been approved with additional investment agreed. Assurance was provided that the College was doing what it could to strengthen the team. Confirmation was also received that mental health training had been rolled out to more staff.

The report was noted.

Action: Principal.

14. **Search Committee**

The minutes of the meeting held 10 November 2022 were noted. In the absence of the Vice-Chair of the Search Committee, Lynne Craig presented the recommendations.

At this point Douglas Blackstock was invited to leave the meeting.

- a) Following consideration of the re-appointment of Douglas, taking into consideration his contribution and commitment, the Committee were recommending his re-appointment for a further 3-years to complete his first four-year term of office.

It was resolved:

To re-appoint Douglas Blackstock at the end of his current term of office for a further 3-years to complete his first 4-year term of office.

- b) Following an application to the DfE the College had been successful in securing the search services of Peridot, free of charge, to assist with the search for the next Chair of the Corporation. An expression of interest had also been received from one prospective candidate who had been referred to Peridot.
- c) Confidential Item.

15. **Student Union Financial Statements and Annual Report**

Members received the Student Union annual report and financial statements.

The report was noted.

16. **Modern Slavery Act 2015**

Members received the report and Anti-Slavery and Human Trafficking Statement for approval.

The report was noted and it was resolved:

To approve the Anti-Slavery and Human Trafficking Statement for publishing on the College website and delegated authority was provided to the Group CEO & Executive Principal to sign the statement.

20. **Assessment of meeting**

A summary of feedback in relation to the meeting held 3 November 2022 was received. The Clerk informed that she had emailed governors in response to feedback raised about the spread of agenda items across meetings.

21. **Items of Urgent Business**

There were no items of urgent business.

22. **Confidentiality**

Members agreed that due to business and personal sensitivities, Bishop Fleming Management letter and addendum letter (item 5a), SGSCSL Management Letter (item 5d), SGSCSL report and appendices (item 6), CEO & Executive Principal's report (item 12), confidential Search Committee minutes (item 14) and minutes 12 and 14c should be treated as confidential.

23. **Date of Next Meeting**

Thursday 26 January 2023 at 4pm, via Microsoft Teams.

The Chair welcomed the return of Sophie Green as this was her first meeting following maternity leave.

The meeting commenced at 5.04pm.

Douglas Blackstock joined the meeting at 5.13pm (during item 5a).

Louise Bright left the meeting at 7.04pm (during item 13).

The meeting closed at 7.20pm.

The meeting was quorate.