



**SOUTH GLOUCESTERSHIRE AND STROUD COLLEGE**  
**FURTHER EDUCATION CORPORATION**

Approved minutes of a meeting of South Gloucestershire and Stroud College  
Further Education Corporation  
Held on 2 December 2021, via Microsoft Teams

**Present:**

David Hagg	(Chair)
Louise Bright	
Steph Brooks	
Sarah Cartlidge	
Sophie Chester-Glyn	
Mike Croker	
Matt Davis	
Carly Dyson	
Phil Eames	
Sophie Green	
Kevin Hamblin	(CEO & Executive Principal)
Dave Merrett	
Irene Molodtsov	
Gary Parsons	
Ben Short	

**In Attendance:**

Rich Aitken	(Head of Finance)
Gavin Murray	(Vice Principal, Performance, Standards & Effectiveness)
Jude Saunderson	(Chief Financial Officer)
Sara-Jane Watkins	(College Principal)
Sharon Glover	(Clerk)

The Chair opened the meeting by welcoming Tony Felthouse, KPMG, who would be joining the meeting for agenda item 7. The Chair also congratulated Kevin Hamblin (CEO & Executive Principal) for achieving over 20 years' service working for Filton College and latterly SGS College.

The Chair asked whether any of the starred items needed discussing. Attention was drawn to the report and financial statements from the Student Union and feedback from the Student Governor was invited. There was nothing further to add that wasn't already covered in the report.

1. **Appointment of the Higher Education Student Governor**

Approval was sought for the appointment of Sarah Cartlidge as the Student Member of the Corporation, with effect from 1 December 2021 until 31 July 2022.

**It was resolved:**

**To approve Sarah Cartlidge as the Student Member of the Corporation, with effect from 1 December 2021 until 31 July 2022.**

2. **Apologies for Absence**

Apologies were received from Lynne Craig, Moira Foster-Fitzgerald, Catherine Green and Rick Sturge.

3. **Declarations of Interest**

The following declarations of interest were raised and noted:

- Carly Dyson, Kevin Hamblin and Dave Merrett in agenda item 6 and 7c, as Directors of SGS Commercial Services Limited.
- Phil Eames and Kevin Hamblin, as Trustees of SGSAT, in part of the CEO & Executive Principal's report relating to SGSAT.
- Dave Merrett in part of the Search Committee agenda item 17, relating to consideration of his re-appointment.

4. **Minutes of Previous Meeting**

The minutes of the meeting held 4 November 2021 were approved as a correct record, ready for signing by the Chair.

5. **Matters Arising From Those Minutes**

Actions on the action log were monitored and updates provided.

6. **SGS Commercial Services Limited**

Confidential Item.

The Chair raised that he would be bringing forward agenda item 13 as part of this report needed to be considered prior to agenda item 7.

7. **Management Accounts (Agenda item 13)**

The Head of Finance reported the following:

- a) The Group accounts are prepared on the going concern assumption and the Corporation need to consider and fully document the Group's ability to continue as a going concern as part of approval of the financial statements. A full review was approved by the Corporation in October 2021 but an update was provided as Corporation are required to consider the ability to continue as a going concern for the 12-months from the date of signing the accounts. The Corporation agreed with the going concern information presented and the Head of Finance was thanked for providing the surplus information to provide reassurance to the Corporation.
- b) Also presented was the management accounts exception report covering the 31 October 2021 management accounts and questions were invited. Members raised that the presentation of the cash flow in July 2023 shows the forecast below the budget and, having set aside funds to repay the loan, the budget and forecast should align on the same basis. The Head of Finance agreed to update the cash flow graph.

**The report was noted and it was resolved:**

**To approve the updated review of the Group's ability to continue as a going concern.**

**Action: Head of Finance.**

8. **SGS College Members' Report and consolidated Financial Statements (AR&FS)**  
**(Agenda item 7)**

Mike Croker (Chair of the Audit Committee) introduced this agenda item and assurance was provided that the Audit Committee had scrutinised the documents presented.

- a) Financial Statements Auditor's Management Letter – Tony Felthouse from KPMG confirmed that the audit was substantially complete and is close to finalisation prior to signing by KPMG. There are no concerns to raise and no issues anticipated in their sign off. There were no audit control deficiencies raised and prior issues had been actioned, which is a testament to the Chief Financial Officer, Head of Finance and their team. There were two audit differences raised and these were presented to the Corporation.

Clarification was sought, and received, in relation to the additional fees charged for the taxation service.

The Chair of the Audit Committee referenced KPMG's list of points for governors to be mindful of when considering the end of year account, having previously been circulated to governors ahead of the meeting. Assurance was

sought, and received, from KPMG that there are no concerns with these points.

- b) SGS College Members' Report and consolidated Financial Statements 2020/21 – The Chief Financial Officer referenced the Local Government Pension Scheme and the need to include the actuarial calculations, which distorts the numbers. Following a meeting with the actuary administrators a triannual review is due in March 2022 and it is anticipated that the deficit and contribution rates will decrease. Assurance was provided that the actuarial calculations are stripped out when considering the underlying financial position. Members were informed that due to the successful debt recovery from We-Link there is a need to adjust the SGS Commercial Services Financial Statements and approval of the SGS Annual Report and Financial Statements was sought, subject to this adjustment which will improve the bottom line by £35k. Members were also informed of changes to the Remuneration Annual Report. Although correct, there was a lack of alignment of timeframes with the Financial Statements and this had changed the pension costs.
- c) SGS Commercial Services Annual Report and Financial Statements 2020/21 and Letter of support – The Chief Financial Officer reported that the accounts had been scrutinised by the Board of SGSCSL and, as reported in agenda item 6, there is a need to put through a £35k adjustment. The company outturned a £190k surplus, which has been added to the College surplus. It was pleasing to see an increase in *property* valuation but there remain current liabilities hence the need for a Letter of Support from the Corporation in order to report the company as a going concern.
- d) Reconciliation between management accounts and financial statements – The Head of Finance reported that the reconciliation report had been prepared prior to receipt of the additional payment from We-Link and period 12 Management Accounts will need to be updated to account for this.
- e) Internal Audit Service Annual Report – The Chair of the Audit Committee reported that this is a positive report, rated as Amber/Green.
- f) 2020/21 Annual Report of the Audit Committee, including the annual risk management report – The Chair of the Audit Committee presented the report, which provides an opinion on the internal controls and risk management in place at the College. Members were informed that the report is an aggregation of the work of the Audit Committee, who also have regard to the work of RSM and KPMG and is also informed by interaction with College staff.
- g) Letter of Representation to KPMG – KPMG confirmed that this is a standard letter for Corporation approval and signing by the Chair of the Corporation.

- h) Fraud Response Plan – On the recommendation of the Audit Committee, revisions to the Fraud Response Plan were presented for Corporation approval.
- i) Minutes of a meeting held 15 Nov 21 – The Chair of the Audit Committee reported that the main focus of this meeting was the scrutiny of the end of year accounts and the re-tendering of the Financial Statements Auditors.

As Directors of SGSCSL, Carly Dyson, Kevin Hamblin and Dave Merrett refrained from resolution (ii).

**The minutes of the Audit Committee meeting held 15 November 2021 were and noted and it was resolved to approve the:**

- (i) **2020/21 Annual Report of the Audit Committee, including the annual risk management report;**
- (ii) **Letter of Support to SGSCSL, for signing by the Chair of the Corporation;**
- (iii) **2020/21 Internal Audit Service Annual Report;**
- (iv) **Financial Statement Auditor's Management Letter;**
- (v) **SGS College Members' Report and consolidated Financial Statements 2020/21 for signing by the Chair of the Corporation and Group CEO & Executive Principal/Accounting Officer, subject to changes raised, and revisions to the Remuneration Annual Report;**
- (vi) **Letter of representation to KPMG, for signing by the Chair of the Corporation;**
- (vii) **Fraud Response Plan;**
- (viii) **Re-tendering of Financial Statements Auditors and tax services for the 2021/22 financial statements audit.**

Congratulations and thanks were provided to the Chief Financial Officer and her team, KPMG and the Audit Committee for an excellent audit.

**Action: Head of Finance.**

*At this point Tony Felthouse from KPMG left the meeting and Sarah Cartlidge (Student Governor) was welcomed to her first Corporation meeting.*

## 9. **Student Union Financial Statements and Annual Report (Agenda item 8)**

Members received the Student Union annual report and financial statements. Minor revisions to the Student Union Constitution were also appended for approval.

**The report was noted and it was resolved:  
To approve revisions to the Student Union Constitution.**

*At this point Kelly Gillett, Assistant Principal HE & Adult, was welcomed to the meeting.*

10. **Higher Education, including HE Fee Policy (Agenda item 9)**

Members were informed that the Assistant Principal HE & Adult would be moving roles and had been invited to present the report to show case achievements made. Members congratulated the Assistant Principal on her new role and the launch of the University Centre at WISE campus as this had been the culmination of her hard work over the years.

The Assistant Principal presented the annual report and reported that recruitment is up by 4% and some of the courses have been re-written/re-freshed and the critical space dedicated to Higher Education had allowed this to happen. The HE courses have been successful and received commendation from the University of Gloucestershire. Although a dip of 2/3% in retention/achievement has been evidenced it should be noted that the year has been exceptional due to Covid. Data and the grade profiles remains strong so this dip doesn't present huge concerns. In particular, the student experience is high as evidenced in the NSS survey. The Principal mentioned that the NSS survey results placed SGS College as the best College for higher education in the South West. Members were informed that the first impressions survey is currently open and early indication of the feedback is looking positive.

There had been an external audit by OfS, the outcomes having been presented to the Audit Committee. The action plan has been signed off by the OfS and internal audits are planned to follow up.

Following scrutiny of the report members raised that the dip in retention was to be expected and is consistent across the sector. The report was excellent and the College should be proud of the NSS results.

The Assistant Principal referenced the 3-year Improvement Plan, which was being presented for completeness and a new 3-year Improvement Plan has been produced. Very good progress has been made and the new plan sets out the goals and milestones with more work planned on student engagement.

Also presented was an HE Fee and Bursary policy for Corporation approval. Having previously formed part of the College Fee policy it was felt appropriate to separate out and include the Bursary policy in order that the policy can be published prior to students accepting their place with the College.

The Chair invited the views of the HE Student Governor who reported the difficult circumstances faced by students, staff and the learning community due to the pandemic and of the great leadership shown across SGS.

The Assistant Principal was thanked for all her hard work and wished well for the future and the Corporation were thanked for their support of the work of HE.

**The report was noted and it was resolved:**

- a) To note the contents of the Higher Education Annual review, appendices and 2021/24 Improvement Plan, together with progress against the 2020/21 Improvement Plan.**
- b) To approve designation to the CEO & Executive Principal as the Accountable Officer for OfS authorized to approve the OfS Access and Participation plan impact monitoring form for 2020/21, due in April 2022.**
- c) To approve the Higher Education Fee and Bursary Policy.**

*At this point the Assistant Principal, HE & Adult left the meeting.*

**11. College Self-Assessment Report 2019/20 (including HE & CIPs) (Agenda Item 10)**

The Chair re-iterated the importance of the College SAR, which also provided new governors with a great understanding of the College.

The Vice Principal presented the report and informed members that although this year's SAR had been assessed against the Ofsted framework the focus had been on the impact of Covid-19 and the educational recovery and had therefore not been graded. Members were also informed that, following Corporation approval, the SAR will receive a final copy edit prior to submission to Ofsted and WECA. The Chair also raised that the SAR will be issued to the ESFA, following discussions at the strategy review meeting.

Although a decrease in retention had been evidenced, the impact of Covid and exam cancellations had played its part in this outcome. Although not possible to validate data the College and Governance SAR had been externally reviewed by a former Ofsted Inspector and there were no significant changes or concerns to raise as a result of this review.

Also presented was the 2021/22 cross-College Improvement Plan, which is taking a different approach with the establishment of nine task and finish groups consisting of a range of people across the organisation.

The Staff Governors were invited to comment on the report and informed that good progress is being made with the introduction of the Task and Finish Groups, on which one Staff Governor participated in 2 groups.

Members questioned the main risks to the delivery of the plan. The Vice Principal advised that the key risk is the unknown, especially with the new Covid variant and there has been no update from the exam boards. The Task and Finish Groups also present an element of risk as they are subject to change and development. However, there is a standing item at Senior Leadership Team meetings for these Groups to report back on progress.

Members were very impressed with the resilience and responsiveness of the College to changing situations. Members were informed that the whole management team is

focused on improvement and at times success isn't celebrated as much as it could be due to a continuing focus on improvements. Members concurred and as a Corporation it was felt that governance of the College isn't always given sufficient credit. It was recognised that the College has been outstanding in the way in which it has dealt with the pandemic. Thanks, were provided to the CEO & Executive Principal and College Principal for their exemplary leadership, their concern for the students and were credited for another successful year.

**The report was noted and it was resolved:**

**To approve the 2020/21 College Self-Assessment Report and note the cross-College Improvement Plan 2021/22.**

12. **Sustainability & Biodiversity Group Implementation Plan (Agenda Item 11)**

- a) Sustainability & Biodiversity Group Implementation Plan – The Principal reported that the draft plan had now included reference to the DfE Strategy; had embraced the UN Sustainability Goals and the AoC FE Climate Action Roadmap. Following consultation with learners, they were passionate to retain the Vision and considered challenge/stretch targets to be important to push the institution. One of the Staff Governors was pleased to see facilities for students in the plan and that the removal of copying had changed to reflect a reduction. He was looking forward to the next stage of implementation and student engagement in these activities.

A question about the process of inviting Corporation feedback was raised and clarified. When consulting with many different groups it was challenging to take everyone's feedback into account. This was the first plan of its kind intended as a basis to build upon and will be an iterative process with yearly revisions. The Chair proposed that the Corporation notes that the Implementation Plan is work in progress to be delivered within the College's existing resource capacity.

**It was resolved:**

**To approve the Sustainability & Biodiversity Group Implementation Plan and note that it is work in progress with regular updates to be presented to the Corporation.**

- b) Governor Sustainability Advocate role descriptor – The Chair referenced a draft role descriptor and feedback was invited together with a volunteer to take on this role. Members discussed the role, which was seen as a supporting role with a view to maintaining an open dialogue with the College's progress against the Implementation Plan.

The involvement of the role with the Sustainability and Biodiversity Group was discussed and although members needed to be mindful that it is an operational group the CEO & Executive Principal advised that the Group will be predominantly involved with idea generation for consideration by the

College Executive Team and Corporation, where appropriate. It was suggested that a Governor with enthusiasm and interest in this topic would be best placed to fulfil this role.

The Chair also suggested that Steve Frampton from the AoC could be invited to present to Governors on this topic. The Vice-Chair of the Search Committee also raised that Corporation feedback on skills needs of the Corporation is invited and possibly this is a new skills/experience requirement when searching for a new member. The Chair of the Corporation offered to fulfil the advocate role on an interim basis, with expressions of interest directed to the Clerk.

**It was resolved:**

**To approve the Governor Sustainability Advocate role descriptor and to appoint David Hagg (Chair of the Corporation) to this role on an interim basis.**

**13. Digital Plan (Agenda Item 12)**

Members were informed that although SGS was further ahead than other Colleges the infrastructure requires further development. The digital plan presented is iterative and will be reviewed annually by the Corporation. Due to the pandemic the College needed to act swiftly and a baseline assessment is now needed to ensure the correct infrastructure is in place and to allow the production of fully costed plans.

The plan had been aligned to the core principles within the 2020 JISC strategy framework and is fundamental to determine the next steps. Alongside the sustainability plan, the digital plan will have a fundamental impact on the College and the Principal is currently reviewing how cross site working can be managed. Members were informed that there is an awareness that over the next few years there will be significant digital changes and the plan will become more precise over time.

One of the Staff Governors was invited to comment from a staff leader perspective. He felt that having a digital plan was positive and that the digital infrastructure becomes outdated very quickly and the pace of change poses challenges for teaching. It is helpful for staff morale to understand the focus and direction of travel.

Members questioned whether the plan includes penetration testing and were informed that it did, however, JISC are not keen for penetration testing to be undertaken. Penetration testing had taken place at SGS Berkeley Green UTC and the results will be fed back to the College. Members asked that objective 20 in the key milestone section is expanded to clarify its meaning.

**It was resolved:**

**To approve the Digital Plan and note that it is work in progress with regular updates to be presented to the Corporation.**

**Action: Principal.**

14. **KPI Report**

This item is to be carried forward to the next meeting.

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

Confidential Item.

16. **Principal's Report**

The Principal reported on the following:

- a) Covid cases – 68 learners are currently off College, which has had an impact on attendance. Face-to-face lessons will continue and the College is trying to encourage mask wearing.
- b) Staffing difficulties – The College continues to struggle to fill vacancies and 10% of the workforce is absent due to illness.
- c) Safeguarding – There is a significant increase in concerns compared to last year and there is a growth in learners with additional support needs. Further detailed information was appended to the report.
- d) Pay award – The additional 1% non-consolidated pay award for the year ending 20/21 was subject to the College achieving good financial health following the year end audit. Corporation endorsement for this additional pay award to all staff, including Senior Post Holders and the Clerk was sought.
- e) 16-18 recruitment – Due to lagged learner funding and an increase in learners an increase in funding is expected to follow next year.
- f) Horizon 38 – The intent is to relocate construction apprenticeship faculty to Horizon 38 as soon as planning permission has been received.
- g) ESFA annual conversation and termly update from the FE Commissioner – The first meeting with the ESFA had gone well and they are keen to return in the New Year to find out more about College developments. Appended to the report was the termly update from the FE Commissioner.
- h) Employee Annual Conversations 2020/21 – Significant progress has been made with over 97% completion rate.
- i) Confirmation of Good Financial Health – Confirmation has been received from the ESFA that the College's 3-year financial plan has been scored Good for 2020/21 and 2021/22. Reference was also made to the financial dashboard produced by the ESFA and appended to the report.
- j) Confidential Item.

**The report was noted and it was resolved:**

**To endorse the payment in December 2021 of a 1% non-consolidated pay award, £250 pro rata de minimus, in respect of the year ending 2020/21. The payment will be based on gross salary as at 31 July 2021, paid pro-rata for any member of staff who joined during the year and paid pro-rata for part time staff. The award will be subject to achieving good financial health following the year end audit and will be made to all staff (including Senior Post Holders and the Clerk) who are employed on 31 July 2021 who are still employed on 31 December 2021.**

Thanks, was provided to the excellent management in place at the College, who are doing a fantastic job.

17. **Search Committee**

Minutes of the meeting held 11 November 2021 were noted and Sophie Chester-Glyn, Vice-Chair of the Search Committee, reported the following:

- a) Discussions continue in relation to the diversity of the Corporation, with networks approached. Although there are currently no vacancies to fill on the Corporation the Committee will continue to reach out to under-represented communities as there is an option to increase membership numbers if needed. Members were invited to email the Clerk with any additional skills needed on the Corporation.
- b) To assist with succession planning, members were reminded to inform the Clerk 12 months in advance, where possible, if they intend to step down.
- c) The Committee had discussed the need for Unconscious Bias training and Corporations' view on this type of training, possibly for the Search Committee or at governor induction was sought. Also suggested was the engagement of a consultant to independently review the College's EDI strategy and views were invited. The Principal suggested that this proposal is discussed with the Vice Principal as he already has links with EDI consultants as this was a theme for the latest Staff Development event.
- d) The Committee are also looking at a more formal approach to re-appointment of Corporation/Co-Opted Members and views on this were invited to the Vice-Chair of the Search Committee/Clerk to the Corporation.
- e) Following review of the re-appointment of Dave Merrett the Search Committee were recommending his re-appointment for a further 4-year term of office at the end of his current term of office. The Committee felt that Dave had made a quality contribution and brought a different perspective to the work of the Corporation.

Dave Merrett refrained from the following resolution.

**It was resolved:**

**To re-appoint Dave Merrett for a further 4-year term of office, at the end of his current term of office.**

18. **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.**

19. **Other Items of Urgent Business**

There were no items of urgent business raised.

20. **Confidentiality**

Members agreed that due to business sensitivities the SGSCSL report (item 6), CEO & Executive Principal's report (item 15), confidential part of the Principal's report and confidential appendices (item 16) and minutes 6, 15 and 16j should be treated as confidential.

21. **Assessment of meeting**

A summary of feedback in relation to the meeting held 4 November 2021 was received.

22. **Date of Next Meeting**

Thursday 27 January at 4pm, via Microsoft Teams.

The meeting commenced at 4.02pm

Sarah Cartlidge joined the meeting at 4.24pm (during item 8)

Tony Felthouse left the meeting at 4.53pm (after item 8)

Steph Brooks left the meeting at 5.10pm (after item 10)

Jude Saunderson left the meeting at 5.26pm (after item 11)

Ben Short left the meeting at 5.36pm (during item 12)

Louise Bright left the meeting at 5.50pm (during item 12)

Rich Aitken left the meeting at 5.51pm (during item 12)

The meeting closed at 7.09pm.

The meeting was quorate.