

**Draft Minutes of the Corporation meeting
held on 13th December 2022 at 4pm in 4H01**

Present Kai Adegbembo (Chair), Richard Askam, Ann Hardy, Kerri Harold (Teams), Jim Harris, Becky Huxley-Binns (Teams), Liz Parry, Mark Smith

In Attendance Adrian Clarke (GVP Corporate Services), Maria Turnbull-Kemp (GVP Finance), Rachel Ellis-Jones (Principal GIFHE) (Teams), Danny Metters (Principal ERC and STEC), Nathan Michael (GVP Curriculum & Quality), Jane Spurgin (Interim Clerk) (Teams), Penny Tracey (minute taker), Steve Butler for Item 11 only, David Hoose (Mazars) for Items 15 and 16 only

1. Apologies for absence

Apologies for absence were received from Cain Matthews, Keith Pearson and Guy Lonsdale

2. Declarations of Interest

Governors were reminded to declare any interests arising during the meeting too.
AH declared an interest in Modal as she is a Director and LP as she is on the Board.

3. Corporation Meeting Minutes; 25th October 2022 and 30th November 2022

3.1 Action points of the previous meetings were discussed and noted (25th October 2022):

- 3. 30th September Minutes – completed and draft minutes in today's pack
- 8. GIFHE Animal Care/OfS Capital Grant – on today's agenda
- 10. Multiply UK Shared Prosperity Funded Project – signed and returned
- 13. Audit Committee – completed
- 22. Governors Code of Conduct Annual Review – action carried forward
- 24. Governance Update Report – completed

RESOLVED: that the Corporation approve the minutes of the Corporation of 25th October 2022 as a true record.

3.2 Item 5.7: LP is not a Director of Modal, only Chair of the Board – this would be amended in the minutes.

3.3 Action points of the previous meetings were discussed and noted (30th November 2022):

- 3b. S&G Special Board – still to be arranged for end of January
- 3b. Remuneration Committee – still to be arranged for end of January
- 3b Audit Papers – completed and in today's agenda pack
- 3b FE Commissioner – completed and new wording included in today's agenda pack
- 3.3 Membership – AoB in today's meeting
- 3.5 Interim Chair Extension – on today's agenda for approval
- 5.4 Communications Strategy – completed and in place
- 5.4 ERC Board cancellation – completed
- 5.6 Financial Statements – completed
- 5.7 Subsidiary Companies – ongoing

RESOLVED: that the Corporation approve the minutes of the Corporation of 30th November 2022 as a true record subject to the amendment at 3.2 above.

The Chair amended the order of the agenda and took Item 11 next.

11. Group Employee Services Annual Report

- 11.1 SB provided a verbal update on the Group Employee Services Annual Report explaining the difficulties the Group was facing in relation to the increase in national living wage and the effect this would have a large number of our staff. Job evaluation will be done on the roles that are affected by this increase.
- 11.2 Governors thanked SB and the team for the great job that had been done with managing this situation and the work done on recruitment across all campuses. DM explained the value for money recruitment processes that were followed. SB said he is working towards being able to bring a reasonable pay award for staff for next year and this will be brought to a future Corporation meeting.
- 11.3 The Chair asked if there were any support mechanisms could be put in place for staff who were struggling financially. SB explained the bonus payments being made caused some staff issues in relation to their benefits. We are looking to make our terms and conditions as good as possible. Annual leave and benefits are already very good for staff, with counselling and an occupational health nurse on site.
- 11.4 A discussion was held on added value packages, ie discounts at local businesses. This is something the Group had been doing for some time but it was identified that this needed looking at across all campuses.

A Governor asked if we had a hardship fund. MTK said we had one for students but not for staff, although there is a targeted support fund if absolutely necessary but this needs to be managed correctly to limit any business risk.

- 11.5 A Governor said she would have liked a comparison against last year so governors could measure any progress or decline. SB ran through the headline figures compared to last year.

A Governor said some schools offer hot meals at lunchtime for staff and sometimes it's not about the pay packet, it's about the value added benefits. SB explained that staff and students already received discounted prices across all food providers.

The Chair said the report needed to identify the good things that are being done; SB was to ensure these are better reported on next year.

A Governor said as the employment pool is small in the local area, are there competitors that offer higher salaries and take our staff. The CEO explained we have used Protocol for the recruitment of key staff as this allows head-hunting of potential new staff.

RESOLVED: that the Corporation received the Group Employee Services Annual Report and noted its contents.

SB left the meeting at 4.31pm

4. Update Strategic Measures 2022/23 RAG rated report

- 4.1 The Corporation received detailed performance reports and AH provided a verbal update to confirm what was being done to manage the key risks. Details in private business.

RESOLVED: that Corporation noted the progress, key issues and actions being taken in 2022/23.

5. CEO's Update

- 5.1 AH presented the CEO update and explained the difficulties we were experiencing with the sale of Lady Edith Drive (LED) due to a piece of land not being adopted by the council; 3 months running costs for the Organisation costs £12m which will limit us moving forward on some projects without the sale of LED.

We have been approached by a company to be involved in a national partnership looking at a range of sustainability projects and there are substantial funds available. Details in private business.

AH had attended an ONS session on reclassification, there was nothing new on the slides but AH will share them with members. The big issue is any College borrowing funds would need ESFA approval or to use an overdraft facility, approval would be needed.

- 5.2 BHB said with regards to 5.1, she would be minded to approve this as carbon intensive companies will need a lot of support to become green neutral. We would need to manage the communication strategy for students as this was very important and members agreed with this. AH said there was a 7 figure sum available to colleges on a grant basis; there wasn't a lot of detail at the moment and this was just a query to identify whether we were interested or not.

RESOLVED: that the Corporation noted the CEO's Update.
that the Corporation approved going forward with the project.

The Chair amended the order of the agenda and took Items 15 and 16 next.

15. Annual Report of the Audit Committee

- 15.1 This had been discussed in detail at last week's Audit Committee and received positive outcomes at the meeting. The Annual Audit Report 2021-22 had now been finalised and Audit Committee recommended their approval of the Report and accompanying annexes to the Corporation.

RESOLVED: that the Corporation approves
(a) the Annual Report of the Audit Committee 2021/22 (see attached Appendix 1)
(b) the Audit Committee Self-Assessment Questionnaire 2021-22

DH joined the meeting at 4.45pm

16. Financial Statements

- 16.1 MTK gave a verbal introduction to the Financial Statements received by the Corporation.
- 16.2 DH provided a verbal update on the Financial Statements. Significant progress had been made since the Audit Committee last week and although there were a few items still be looked into, progress was being made on those. Work was still ongoing on the Audit Opinion on Modal. DH was sure they would be providing their audit opinions before Christmas as long as we continue to work together. Additional £1.2m provision against Modal which reverses out against Modal's ability to repay the loan.
- 16.3 The biggest areas were revenue grants and she had spoken to the auditors and they were dealing with this; testing on capital and looking for information from 2020/21. Auditors have identified different needs on what is being done monthly and changes will be made for next year's financial statements and MTK was pleased with the accuracy of them. MTK identified we need to work more in line with what the auditors need. Capital and revenue grants is the biggest issue and now we know what is needed we can look to identify this going forward.

DH reiterated we were significantly more advanced that we have been in previous years.

- 16.4 MTK said a lot of adjustments had had to been done on Modal but the accounts had been done by a member of staff at Modal (not with the Finance team) and the entries had to be reversed out; this was now being done in house within the Finance team.
- 16.5 It was noted this was the best position we had been in with regard to finances and JH agreed and with the work done on the asset register, huge progress had been made.

KH joined the meeting at 4.33pm

- 16.6 MTK asked for the accounts to be approved in principle and stated that the only changes would be tax on the subsidiary companies, no corporation tax is to be paid.
- 16.7 The Corporation thanked MTK for the hard work done in getting these statements and also the work done by the Audit Committee and MTK thanked DH and his team.

MTK said the aim is to get everything uploaded by the due date of 18th December 2022.

RESOLVED: the Corporation approved the Financial Statements in principle, subject to slight final adjustments, and these would be signed electronically by the Chair once complete.

DH left the meeting at 4.58pm.

6. Self-Assessment Report 2021/22 inc Governance

- 6.1 The Corporation received the QIP and the Self-Assessment report 2021/22 inc Governance, and NM gave a verbal update on the key points

RESOLVED: that Corporation noted the QIP and the Self-Assessment Report 2021/22 inc Governance.

7. HE Strategic Measures 2022/23 – RAG Rated report and associated ‘return to green’ reports as required

- 7.1 The Corporation received a report on the HE Strategic Measures 2022/23 – RAG Rated report and associated ‘return to green’ reports and NM gave a verbal update on the key points.
- 7.2 LP stated there was no comparison data against last year showing whether we had made improvement or were worse so she was unaware of whether we were in an upward or downward trend and comparison against other colleges.

NM explained that some objectives were set to go up from last year and we would make it clear in the text on the key measures particularly where we are not hitting the targets. Clear narrative will be provided in future reports.

- 7.3 A Governor stated that HEOC hadn’t discussed the Modal learners at the meeting in October and this had not been signed off by the HEOC. NM confirmed we were making sure we captured those Modal students in this report and this will be included in all future HEOC meetings. A Governor asked for it to be noted that the report presented covered all HE provision some of which has been signed off by HEOC.
- 7.4 The Chair asked for the direction of travel to be included in future reports, members needed to be able to defend TECP’s position. The CEO confirmed that data comparison would be included in future reports and these were currently being designed and would be by the different campuses and business units.

RESOLVED: that the Corporation noted the progress, key issues and actions being taken in 2022/23 and that the HE Oversight Committee and the HECQS monitor progress on the ‘back to green’ action plans.

8. Group Complaints Annual Report

- 8.1 The Corporation received the Group Complaints Annual Report and NM gave a verbal explanation of the details including that the report reflects student complaints.
- 8.2 Members thanked NM and his team for the reactive work that was being done into any complaints received. MS agreed with this as he was involved in the Student Senate meetings and any issues were always looked into speedily. Members commented on the minimal number of formal complaints received in relation to the size of the student cohort which reflects on the good practice on the ground.

RESOLVED: that the Corporation noted the Group Annual Complaints Report.

9. Group Safeguarding Annual Report

- 9.1 DM gave a verbal explanation of the Group Safeguarding Annual Report which had been presented to the Corporation
- 9.2 The CEO identified we needed a volunteer to be the Group's safeguarding governor – JS to look into this.
- 9.3 A discussion was held on the impacts of the recession and mental health concerns and whether the teams were struggling with the large amount of people suffering with this. DM confirmed there was a lot of mental health resilience work going into supporting students and we have strong teams that know the difference with genuine mental health conditions that need assistance and are always sharing good practice.

We have introduced breakfast clubs across the organisation for students who are struggling and are arranging food bank packages for Christmas.

DM confirmed that students knew who to go to and knew that the support was available to them.

- 9.4 A Governor acknowledged the whole system approach in terms of safeguarding. KH confirmed she was happy to continue to be safeguarding governor as she had been previously at ERC. JS will pick this up outside of the meeting.
- 9.5 A Governor said it may be useful for all governors to have the necessary safeguarding training as well including keeping children safe in education. When Ofsted come in we are all responsible for safeguarding – JS to arrange for safeguarding training within the new Governor Training Programme being developed.

RESOLVED: that the Corporation receive and note the Group Safeguarding Policy and Annual Report.

10. Group Health & Safety Policy and Annual Review 2021/22

- 10.1 The Corporation received the Group Health & Safety Annual Review and AC provided a verbal update on key issues, confirming that we now have a Group H&S Manager who has an overview of all sites.

The online reporting system has been improved which has led to a stronger reporting structure across the Group which allows trends to be spotted.

- 10.2 A Governor acknowledged it was very difficult to get people to report near misses and commended AC and the team for implementing this.

10.3 AC gave a verbal update on the Group Health & Safety Policy.

A Governor said this was best practice and Corporation were happy to support.

RESOLVED: that the Corporation noted the Health & Safety Annual Report 2021/22 and approved the updated Group Health, Safety & Welfare Policy.

12. Group Equality, Diversity & Inclusion Annual Report 2021/22

12.1 NM gave a verbal update on the key issues within the Group Equality, Diversity & Inclusion Annual Report 2021/22 received by the Corporation and the improvements that had been made in reporting this data. Going forward trends will be included in future reports.

12.2 A Governor thanked everyone that all staff were fully inclusive and queried whether it would be possible to have a governor linked to EDI – JS to pick this up outside of the meeting.

DM explained that safeguarding and EDI was now linked into one group so this could be covered by one governor.

RESOLVED: that the Corporation approve the Group Equality, Diversity & Inclusion Annual Report 2021/22, subject to the amendment of the identified typographical errors.

13. Management Accounts and Commentary

13.1 MTK gave a verbal update on the Management Accounts and Commentary and explained the new elements included within the accounts:

- now included a forecast of potential outturn which identifies issues and how we mitigate this going forward.
- Utilities is a huge cost to the Group and it is forecasted that we will be £0.5m short of the 20% increase already budgeted for.
- Currently looking at a £317k loss and this will be updated in every set of management accounts.
- NET is doing very well and is ahead of its budget.
- now including re-charges on staffing costs.

13.2 A discussion was held on the staffing budget and utilities and MTK updated members on how this was being managed especially with the staffing and agency costs.

AH explained the lagged funding for 16-18 learner numbers which were down this year, which will impact our funding for next year and we needed to start managing this with staffing requirements.

MTK said our income will be down next year, we won't pull back the HE recruitment this year and we will be short on 16-18 funding. AH explained we have a new Director of Marketing starting next year and 16-18 numbers needed to be grown; Career 6 don't speak to TAG learners about going into sixth form but Franklin College do – this needs to be addressed.

13.3 A Governor asked about vacancies and agency costs being monitored and whether agency staff are given a robust induction. MTK confirmed agency staff costs are monitored and no-one can start without going through full induction process and safer recruitment.

13.4 A Governor identified that NET were doing really well and asked whether we are cross marketing. AC confirmed we are with obvious referrals from the learning centres, NET and distance learning. The NET team just moved into St James which will support the short courses at ERC. Modal programmes are also referred to as well.

KH left the meeting at 5.52pm.

13.5 The Corporation thanked MTK and her team for getting a comprehensive set of management accounts together.

RESOLVED: to note the content of the Management Accounts for the Group as at 31st October 2022.

14. Investment Strategy

14.1 MTK gave a verbal update on the Investment Strategy received by the Corporation and explained we have large balances in the bank. She requested permission to look at short term deposits with other banks to ensure a greater return of investment than is currently being received from our existing bank, with no risk to the Corporation.

14.2 A discussion was held on the level of protection for these accounts with the higher interest rates offered. MTK said the banks were all interested in education but wouldn't be interested once the ONS reclassification occurs.

14.3 A discussion was held on the viability of moving this money to several accounts to get the best interest rates available whilst ensuring we had £12m on hand. In response to a query regarding how much of the reserves were allocated, governors were informed: £4m for Skegness, £4m for Animal Care and £2m for Modal until we know where we stand with this.

BHB left the meeting at 5.59pm

RESOLVED:

- The Corporation approved the GVP Finance to look at short term deposits with other banks to ensure a greater return of investment, than currently being received from our existing bank, with no risk to the Corporation.
- The Corporation noted the content of the report on the Investment Strategy and approved the Investment Policy in principle.

17. Annual Legal Expenditure Report

17.1 AC gave a verbal update on the Annual Legal Expenditure Report which had identified a spend of £25.3k in 2021/22 (similar level to the previous year) and explained that next year's report would be higher due to the legal expenses being incurred with the unadopted piece of land at Lady Edith's Drive.

RESOLVED: that the Corporation noted the Annual Legal Expenditure Report 2021/22.

18. Capital Projects Update Report

18.1 The Corporation received the Capital Projects Update Report (including major multi-year projects) and AC gave a verbal update on the key issues across a range of sites

18.2 The Corporation thanked AC for the work being done on capital projects.

RESOLVED: that the Corporation noted the Capital Projects Update Report.

19. Disposal of GIFHE Coach Storage Depot

19.1 AC gave a verbal update on the key issues pertaining to the disposal of the GIFHE Coach Storage Depot on Railway Terrace, Grimsby, as included in the report received by the Corporation. It was confirmed that a good (and improved) offer had been received for the site and the cash generated will be re-invested in learner facilities and equipment.

19.2 A Governor asked that any GIFHE signage on the depot be removed before we dispose of it. AC to look into this and ensure any signage is removed.

RESOLVED: that the Corporation approved the disposal of the GIFHE Coach Storage Depot.

20. Extension of the Interim Chair's Term of Office

KA left the room whilst this item was discussed.

20.1 The Clerk updated members on the proposal to extend the Interim Chair's Term of Office from 31st December 2022 until we appoint a permanent Chair of Corporation.

RESOLVED: to approve the extension of the Interim Chair's Term of Office until a permanent Chair of Corporation is appointed.

KA returned to the meeting.

21. Written Resolution re Appointment of Guy Lonsdale to Corporation

21.1 The Clerk updated members on the Written Resolution process undertaken to appoint Guy Lonsdale to the Corporation

RESOLVED: to formally approve the Written Resolution and ratify the appointment of Guy Lonsdale to the Corporation.

22. Draft Minutes of meetings

23.1 Corporation acknowledged that the minutes of the Audit Committees held on 6th December 2022 and the Modal Oversight Committee held on 24th November 2022 would be brought to the next Corporation meeting once they had been approved at their respective committees/committee chairs.

23.2 The meeting heard a summary of each meeting, based on the minutes shared with the Corporation, from a member present:

- Scarborough TEC Board: no issues were raised; there was a good discussion re attendance as a cause of concern; good review of safeguarding; good financial and capital updates;
- GIFHE Board: no issues were raised;
- Search & Governance: all recommendations were approved.

RESOLVED: all the above minutes were approved and noted.

24. Any Other Business

JH left the meeting for this item.

24.1 Appointment of the Vice Chair

S&G Committee had decided to recommend the appointment of an Interim Vice Chair to support the Interim Chair through his extended term of office. The Clerk had sought expressions of interest from Corporation members (not staff or student governors) and a single expression of interest had been received from Jim Harris.

RESOLVED: Members approved the appointment of JH as Interim Vice Chair.

JH returned to the meeting.

24.2 The Corporation noted that the green energy funds needed to be spent before the next Corporation meeting and a paper would be brought to the Special Corporation for discussion at the end of January for approval.

24.3 Confidential AOB Item (see confidential minutes)

25. Date and time of next Governing Board meeting:

31st January 2023 - Special Meeting (to be confirmed)
Monday 27th and Tuesday 28th March 2023 – two full day Strategic Planning event at Scarborough TEC
Tuesday 28th March 2023 @ 1pm – Corporation meeting
Tuesday 23rd May 2023 @ 4pm – Corporation meeting
Tuesday 4th July 2023 @ 4pm – Corporation meeting

The meeting closed at 6.23pm

Signed _____
Chair of the Corporation

Date _____