

**Minutes of a Meeting of LSEC Corporation held on
Wednesday 10 July 2024 from 5.30-7.30pm
Online Via Zoom**

Part 1: Above the Line 4.00-5.35pm

Part 2: Below the Line 5.35-6.00pm

Corporation Governors

David Eastgate (DE)	Chair
Louise Nadal (LN)	Vice Chair
Mark Burnett (MB)	Vice Chair
Dr Sam Parrett, CBE (SP)	Group CEO
Mark Trinick (MT)	Governor
Lucie Allen (LA)	Governor
David Bailey (DB)	Governor
Angela Hands (AH)	Governor
Vince Fihosy (VF)	Governor
Tony Gilbey (TG)	Governor
Kate Shiner (KS)	Governor
Sarah Lewis (SL)	Governor
Darren Kirwin (DK)	Governor
George Ryan (GR)	Governor
Julie Asher Smith (JAS)	Governor
Teresa Langford (TL)	Staff Governors
Ruby Davies (RD)	Student Governor (FE and HE)

Governance Professional & Clerk to the Board

Jennifer Pharo (JP)	Group Chief Governance & Administration Officer
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Executive Officers in attendance

John Hunt (JHu)	Group Deputy CEO & Group CFO
Asfa Sohail (AS)	Executive Principal & CLO
Louise Wolsey (LW)	Group Chief Strategy Officer
Janet Curtis Broni (JCB)	Group Chief People Officer

Board Papers Published on Board Intelligence on 3 July 2024

- Board Pack 1 includes above the line items
- Board Pack 2 includes below the line items

THE NOLAN COMMITTEE

THE SEVEN PRINCIPLES OF PUBLIC LIFE

SELFLESSNESS

Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.

INTEGRITY

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.

OBJECTIVITY

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

ACCOUNTABILITY

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

OPENNESS

Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

HONESTY

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

LEADERSHIP

Holders of public office should promote and support these principles by leadership and example.

AGENDA

Welcome, apologies and declarations of interest

Apologies received from Mark Burnett, Mark Trinick, Vince Fihosy
 It was noted that Tony Gilbey and David Bailey have resigned from the Corporation
 It was NOTED that this was Student Governor-Ruby Davis last meeting.
 The Board thanked Ruby for her contribution. .
 The Corporation welcomed Julie Asher Smith.
 The Corporation **APPROVED** the appointment of Beverley Eaglesfield as Vice Chair of the LSEAT.

Minutes of previous meeting held on 8 May 2024 were **APPROVED**

The Board **NOTED** that they had **APPROVED** the Resolution for Future Greenwich on 8th May as presented.

PART 1: ABOVE THE LINE AGENDA ITEMS:

Items **Above the Line** comprise five or six key strategic/operational matters for discussion (10/15 mins per item.)

A1	Group CEO Update and Appendices
	<p>Group CEO presented the Report which was taken as read.</p> <p>It was reported that following general election, new MPs had been elected across areas covered by the College.</p> <p>Three MPs had retained their seats, Gareth Bacon, Louie French and Clive Efford. New MPs included Daniel Francis for Bexleyheath and Crayford and Liam Conlon for Beckenham and Penge.</p> <p>It was reported that changes in education policy were awaited. This was likely to include a pause in the defunding of level 3 vocational qualifications, new quango Skills for England and devolution.</p> <p>The Board continued to express concerns over the timing and pace of the defunding of vocational qualifications.</p> <p>In response to questions on the Protection Student Choice Campaign it was reported that AoC had conducted a separate campaign to the campaign being supported by CST and Association of Sixth Forms.</p> <p>In response to questions on the switch to T-Level, it was reported senior curriculum leaders were working on transition programmes to ensure that transition and opportunities were available to all students.</p> <p>It was reported that NSS results for HE student survey were above national rates. Good outcomes on engagement and satisfaction scores.</p> <p>It was reported that the issues with the Boiler at Orpington Campus has been escalated to a solicitor in relation to actions against London Borough of Bromley.</p> <p>In response to questions on Future Greenwich it was reported that DfE had agreed conditions going forward to defer the existing Greenwich Loan with a legal charge over the property. Process had been agreed and documents to be executed before end July.</p>
A2.	DCEO & Executive Principal Operational Update
A2.1	<p>Executive Principal & CLO Report</p> <p>Appendix 1: KPI Scorecard/Dashboard</p>
	DCEO and Executive Principal presented the report which was taken as read.

	<p>Key points for the discussion were reported as follows</p> <p>Ofsted Readiness and preparations for the forthcoming full Ofsted Inspection continues. Preparations for the SAR and Position Statements were being drafted. Quality Team were leading on the preparations for Inspection.</p> <p>The classroom-based achievement rates for the year 2023/24 were forecast to between 81.5%-82%%. A slight improvement on last year. Retention rates had also been maintained.</p> <p>Teacher evaluation of learner progress had been completed four times throughout the academic year. It was reported that formal lesson visits had been taking place all with over 74% of lessons considered to be positive overall. In addition, Internal Quality Reviews have taken place in the spring and summer terms and deep dives in a number of curriculum areas.</p> <p>Key strengths identified in areas such as SEND and ESOL.</p> <p>It was reported that overall student attendance was 79% slightly below target.</p> <p>It was a reported that there was a particular focus on apprenticeship to improve the provision and student experience. Apprenticeship forecast achieve remained at the target of 52%.</p> <p>It was reported that an HE Strategic Review had commenced to address recruitment challenges and declining curriculum offer and progression.</p> <p>Curriculum Strategy and Planning: All three stages of the curriculum planning process are now complete and the process had moved into an end of year review to set dates and stages for 2025-26 academic year, which is planned to be launched in October 2024.</p> <p>It was reported that the curriculum planning process for 2024/25 had been complete with planning for 2025/26 due to commence in October 2024. The curriculum strategy had been updated to reflect the proposed post 16 curriculum reforms at level 3 and 2.</p> <p>It was reported that final recruitment for 203/24 were ported at 4042 young people against a funded target of 4023. It was reported that the adult education budget would reach its threshold of 97%. It was reported that HE recruitment has finished at 104 learners below target. Apprenticeship recruitment has also reported below target by 170 although funding targets had been almost met with c200k shortfall.</p> <p>It was reported that recruitment to 2024/25 was promising with c1700 offers made and increase in applications from previous years.</p> <p>It was reported that he behaviour was good, and the campuses were calm, students feedback had suggested that College was inclusive and respectful. The collection of student voice remained a key focus and engagement levels continue to be strengthened.</p> <p>It was reported that Career and Destinations fairs had been held across Bromley, Bexley and Plumstead with positive feedback from students and employers.</p> <p>It was reported that safeguarding remains effective and strong. New wellbeing rooms ahd been welcomed and the new online monitoring and filtering software was having a positive impact. The monitoring of the SCR continues.</p>
	<p>Questions and Comments</p>
	<p>In response to questions it was reported that it was good to see improvements in attendance and achievement. In response to questions on impact of these metrics on a good judgment it was reported that if the forecast achievement rates are met then this would mirror the expected standards for a good outcome.</p>

	<p>In response to questions on apprenticeships rates, it was reported that a deep dive at C&S Committee had confirmed the predictions and officers had provided assurance in this regard.</p> <p>In response to questions on Ofsted readiness, it was reported that there had been more investment in middle managers, with 1-1 coaching and setting of clear expectations and targets. A new quality calendar had been introduced alongside restorative practice training and development.</p> <p>In response to questions on risk during inspection, it was reported that attendance remained a risk and quality of education in some areas. Tutorials were an area for improvement and the leadership of this team had moved under Quality. Apprenticeships remained a key area of risk with more improvement required in the quality of progress reviews.</p> <p>In response to questions on career advantage measures on the KPI Scorecard it was reported that these measures would be reviewed to better reflect outcomes.</p> <p>In response to questions on teachers wellbeing around observations it was reported that middle managers are being developed to be able to make this a more positive experience. Observations were not excessive.</p> <p>In response to questions on the working on assurance metrics with Leaders in Safeguarding, it was reported that this was not an organisation the College had engaged. DCEO and CLO would make contact. It was reported that there was strong assurance provided though peer on peer engagement with other Safeguarding Teams in other similar colleges. It was agreed that having an external QA of safeguarding would be helpful.</p> <p>In response to questions on the request to explore the potential of introducing A-Levels to the post 16 curriculum, it was reported that Board approved in principle to commencing review and further planning.</p> <p>The Board NOTED the update.</p>
A2.2	People Strategy Update
	<p>The report was presented by the Group Chief People Officer and was taken as read.</p> <p>It was reported that actions had been taken to implement the People and Culture Strategy.</p> <p>It was reported that there was an emphasis on improving consistency and embedding of management practices to enhance organizational culture, improve staff retention, workload management, and wellbeing, and to strengthen the organisation's reputation as a preferred employer.</p>
	Questions and comments
	<p>In response to questions on TeachMatic and impact on workload, it was reported that feedback was good. Teachers can see the benefits in reducing tasks.</p> <p>It was reported that the tool was launched at the Staff CDP day and had been adopted by a number of departments. The consistent use of the tool would be measured and ongoing discussions on this and other AI tools were raised at the Working Practices Group which includes union attendance plus a range of managers.</p> <p>This forum is used to showcase and build and appetite for AI tools to be used to assist in teaching and learning.</p> <p>In response to questions on the whether one to one support could be provided for those less confident, it was reported that this was an option and continued CPD would be in place to support all teaching staff on how to use the tools confidently.</p>

A3	GCFO Update & Presentation
A3.1	Property & Capital Update
	<p>The Board received an update on the current status of the capital programmes which was taken as read.</p> <p>It was reported that following the submission of our business case to the DfE for support with our capital project-related solvency issues, we have received some assurances from senior DfE and ESFA officials that they will not let the College fail due to a reclassification issue.</p> <p>It was reported that In this regard, the DfE is taking forward the approval to defer our DfE loan repayments for a period of 2 years, and this has been factored into our latest cashflow forecasts.</p> <p>The Board had already resolved to approve the DfE proposal as outlined in the Resolution dated 8th May. The DfE were unable to agree the longer-term refinancing option, and instead the College will need to work with the DfE on a piecemeal approach for support, with the detail to be worked through after the general election. As previously reported, the DfE had concurred that the College had no option but to proceed with the Plumstead project for the full scope of works.</p> <p>It was reported that the current forecast total scheme costs had reduced to £44.96m. It was reported that the Full Scope of Works Contracts with Kier had been signed by both parties.</p> <p>In relation to FECTF it was reported that following the liquidation of the preferred contractor the Executives have used the senior-level meetings with the DfE in order to make some further progress on the issue of DfE support and how we can progress with the project.</p> <p>It was reported that the DfE have now verbally agreed a revised procurement strategy and the recommendation to undertake a two-stage approach. This will enable the College to provide greater cost certainty on which the department will make a final decision regarding any budgetary support that they will make available, such outcome will not be known until much later in the year.</p> <p>It was reported that the Post 16 Capacity Fund and T Level Capacity Fund projects are progressing well and are expected to be on budget at £5.7m and on target for opening in September.</p> <p>The Board NOTED the update.</p>
A3.2	2024/25 Budget
	<p>The Board received the 2024/25 Budget for approval which had been recommended by the Finance Committee.</p> <p>It was reported that preparation had as usually been challenging with a number of competing factors and included realistic assumptions of enrolment levels and modest growth where this is expected for 2024/25.</p> <p>It was reported that the budgeted operating surplus for 2024/25 prior to property strategy costs of £1.14m is £0.89m higher than that budgeted for 2023/24 and £0.21m higher than forecast for 2023/24. After allowing for £0.10m for property strategy costs, the budget is a £1.04m surplus, which is £1.04m higher than the budgeted breakeven position for 2023/24 and £363k higher than the forecast for 2023/24.</p> <p>It was reported that this increased surplus, together with numerous other changes, has a related impact on our education-specific EBITDA, with the budgeted value of £3.3m for 2024/25, being circa £0.7m higher than the 2023/24 budget and £0.89m higher than forecast in the current year. After estimated non-cash FRS102 pension adjustments of circa £1.5m are included, the total deficit for the year is budgeted to be £0.46m.</p> <p>The Board were advised that a higher EBITDA for 2024/25 is required to improve our financial health score and cash reserves in the context of the increased costs of the Plumstead project, and which had resulted in some forecast solvency challenges. This had been discussed by the Corporation at length, as the related solvency issue is a consequence of reclassification with our committed liquidity facilities and option being withdrawn in November 2022. As reported to the Corporation in the earlier part of</p>

	<p>the meeting, the Executive have sought and received assurances from the DfE regarding their financial support for the College.</p> <p>It was reported that this had also been discussed at length with the Capita Sub Committee.</p> <p>It was reported that the budgeted EBITDA as a percentage of income of 5.77%, has increased by circa 1.44% from the forecast outturn for the current year, and by 0.83% from the 2023/24 budget. This has resulted in a 10-point increase in the related financial health score attributed to this ratio. Whilst this is positive news, the ratio needs to reach 6% before it is considered to be 'Good' by the FE commissioner and ESFA, according to how financial health is measured. The Board were advised that the depletion of cash reserves by the end of 2024/25 as we invest in the Plumstead rebuild results in a 30-point decrease in the adjusted current ratio score. However, the financial health of the College as assessed under the current methodology remains 'Good', with the total points score expected to be 200 (2023/24: 220).</p> <p>It was reported that the staff costs ratio for 2024/25 of 65.2% is in line with the current year budget and forecast, together with the Further Education Commissioner (FEC) benchmark guide of 65%.</p> <p>The Board were advised that the budget includes a budgeted pay increase of 3% for 11 months of the year. This is the most the College will be able to afford without resorting to large-scale redundancies, but it falls significantly short of the 10% the Unions are demanding with effect from September. Therefore, there may be a risk of industrial action during 2024/25.</p> <p>The budget includes the planned ongoing annual recurring capital expenditure for the year reduced from £1.25m to £0.25m, together with the expected cash flows relating to the Future Greenwich rebuild, the Further Education Capital Transformation (FECTF) project, T level Wave 5, and Post 16 Capacity Fund projects.</p> <p>As reported previously the Future Greenwich project assumes a total project cost of circa £44.97m and is funded by circa £16m of net sale proceeds, a capital grant of £14m from the GLA, and a balance of circa £14.9m from cash reserves.</p> <p>It was reported that the FECTF grant in respect of the A Block remodelling project currently assumes a total project cost of circa £18.3m with a capital grant of £13.7m from the DfE, and a College capital contribution of circa £4.6m. The timing of these cashflows remains uncertain, with the need to retender the project following the liquidation of the incumbent contractor.</p> <p>The Board were advised that the net cash flows and our cash balances will be very sensitive to the timing of grant reimbursement relating to project expenditure, and any delays in such payments from the agencies or delays in Local Authorities paying invoices for High Needs learners may result in some significant solvency challenges as our reserves are invested in these projects.</p> <p>It was reported 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.</p>
	<p>Questions and Comments</p>
	<p>Following some brief discussions on the budget the Board APPROVED as RECOMMENDED by the Finance Committee.</p>
<p>A3.3</p>	<p>Three Year Financial Plan</p>
	<p>The Board received the three-year financial plan as recommended for approval by the Finance Committee.</p> <p>It was reported that the key issues presenting with the plan (some of which had already been discussed by the Board) were</p> <p>The Education Specific EBITDA is expected to increase from £2.39m in 2023/24 to £3.3m in 2024/25 and will improve slightly each year thereafter – although this will not be easy to achieve.</p>

	<p>Major capital expenditure and receipts in respect of the Future Greenwich and the FECTF development programmes are included in the plan, together with the post-16 Capacity fund and T level Capacity projects.</p> <p>A liability in respect of repayment of £266k has been confirmed and included in the forecast. We will be making a further case to mitigate this fully.</p> <p>Year-end cash balances are expected to be £9.2m by July 2025, declining to £7.5m in July 2026.</p> <p>Cash balances will become very tight after August 2025, with solvency potentially being a challenge until May 2026.</p> <p>Cash is expected to be a limiting factor for the business for at least the next 4 years with our period of major capital investment.</p> <p>The financial health points score will be 'Good' for each year of the plan, but the points score will be at the bottom of the threshold in 2025/26 under the current methodology.</p>
	Questions and comments.
	Following discussions on the three-year plan which included the pinch points for cash, in particular around Sept 25, the Board APPROVED the plan as recommended by the Finance Committee.
A3.4	Group Risk Register and Appendices
	<p>The Board received the updated Risk Register which had recently been reviewed and scrutinised by the Audit and Risk Committee. The Board had last reviewed the Risk Register in March.</p> <p>It was reported that the heat map presented reported on the top 17 risks for the College.</p> <p>It was reported that of the 34 Risks on the College Risk Register, 1 is Business Critical, 6 are High, 20 are Medium and 7 are considered to be Low.</p> <p>It was reported that the Business-Critical Risk remained as risk C10 Major Capital Programmes.</p> <p>It was reported that the High risks related to, failure to achieve main enrolment targets, inadequate financial health, apprenticeship quality, low attendance and student satisfaction.</p> <p>The Board NOTED the update which had been reviewed and scrutinised by the Audit & Risk Committee.</p>
A4.	GCGO Update – Governance Matters.
	<p>The Board received an update on Governance Matters.</p> <p>The Board were presented with the Board Improvement Framework document which, as requested by the Board, has been completed by the Group CGO to provide draft indicative judgements across the six governance principles identified within the AOC Code of Governance adopted by the Corporation, together with a narrative to demonstrate the evidence available to justify the assessment and judgement.</p> <p>The Board were asked to and DISCUSS the judgements and gradings provided and to feedback to the Group CGO tis would support the development of a Corporation Action Plan, to be finalised and presented by December 2024..</p> <p>The Board was asked to consider and comment on the Governor Link Scheme presented for 2024/25 and for Governors to confirm and accept the assigned curriculum/business areas for 2024/25.</p> <p>Governors were reminded the Link Scheme previously approved by the Corporation provides opportunities for Governors to link with a specific curriculum area which will be point of focus and engagement during the academic year, including visits to the area and one or more campus, engaging with staff and students in this area. Every year these areas are rotated to provide individual Governors with a broad area of insight and expertise.</p>

	<p>The Board was asked to consider and comment on the proposed Learner Engagement Programme for 2024/25. Governors were reminded that an output for the External Board Review was greater engagement with learners and to increase the learner voice at the Board.</p> <p>It was reported that the programme and plan presented would be put in place for 2024/25 with support from the Deputy Principal Student Experience.</p> <p>The Board was asked to APPROVE the Group Scheme of Delegation and Standing Orders which have been updated to as part of annual governance practice.</p> <p>It was reported that the Scheme of Delegation had been slightly adjusted to reflect changes presenting in the 2024/25 College Financial Regulations and alignment to the new DfE College Handbook.</p> <p>The Board were advised that the Group Standing Orders been updated to reflect minor adjustments to Committee Terms of Reference and Operating Plans. Both documents would be published on the College website and should be read by all new and existing Governors</p>
	<p>Questions and Comment.</p>
	<p>The Board AGREED to review and support the preparation of the Board Action Plan by the Group CGO to be presented for December 2024.</p> <p>The Board APPROVED the Group Scheme of Delegation as presented.</p> <p>The Board NOTED the Governor Link Scheme and the Learner Engagement Programme.</p> <p>The Board NOTED the update.</p>

PART 2: BELOW THE LINE (30-45 mins to cover pre questions and comments on papers and decisions)

Items **Below the line** are presented for approval and/or for information, monitoring and noting.

Below the line items will be presented and categorised using the same category types as above

Governors or Trustees wishing to address matters arising should notify the Group Chief Governance Officer in advance of the meeting and complete pre-questions template provided.

B1.	Executive Principal Operational & Performance Update
B1.1	Quality Improvement Action Plans- NOTED
B1.2	TLA Policy - APPROVED
B1.3	English and Maths Policy - APPROVED
B1.4	2024/25 Safeguarding Policy - APPROVED
B1.5	Curriculum Strategy 24/25 - NOTED
B1.6	2024/25 Subcontracting Controls and Plan
	It was reported that there were no major Changes to previous year. The Controls and Plan were APPROVED .
B2	Group CFO Update
B2.1	2023/24 Financial Update: Management Accounts – NOTED
B3	Information or Recommendations from Committees
B3.1	Group Treasury Management Policy APPROVED
B3.2	College Reserves Policy APPROVED
B3.3	College Financial Regulations APPROVED
B3.4	Group Internal Audit Plan 2024/25 New Plans presented to Audit & Risk Committee APPROVED
B4	Governance
B4.1	Governor Visits Update
	Governor-SL provided a verbal update on recent visit to SEND Bexley, very welcoming and calm. Visit followed by evening presentation of Little Shop of Horrors.
B4.2	2024/25 Standing Orders APPROVED

AOB - NONE

Date of Next Meeting – Tuesday 8 October 2024 at 5.30pm –

Approved



David Eastgate, Chair on 8 October 2024