

**Meeting of LSEC Board to be held on
Wednesday 25 March 2020 at 5.30-7.00pm in
C1/C2 at the ORPINGTON campus or**

Remote Access via Zoom: <https://zoom.us/j/812372740>

Working Minutes

Board

Stephen Howlett, CBE DL (SH)	Chair
Charles Yates (CY)	Vice Chair
Dr Sam Parrett, OBE (SP)	Group Principal & CEO
Max Bero (MB)	Governor
Jane Hobson, OBE (JHo)	Governor
Louise Nadal (LN)	Governor
Barry Spencer (BS)	Staff Governor

Invited

Allan Carey	Chair Group Finance Committee
Marek Michalski	Chair Group Audit Committee

Clerk to the Board

Jennifer Pharo (JP)	Group Executive Director Governance
---------------------	-------------------------------------

Officers in attendance

John Hunt (JHu)	Group CFO
Mary Herbert (MH)	College Principal
David Lambert (DL)	Chief Operating Officer People, Information & Performance
Andrew Cox (AC)	Chair Staff Forum (Observer)
Neil Coates (NC)	VP Adults, Apprenticeships & Partnerships (Item 5)

TO FACILITATE AND SUPPORT BETTER REMOTE MEETING PRACTICE ITEMS LISTED BELOW ARE TO NOTE ONLY AND WILL NOT BE DISCUSSED.

Item 7. LSEC Matrix Accreditation & Gatsby Benchmarks Item 8. LSEC Board Evaluation: Improvement Plan Item 9. LSEEG Corporate Strategy – LSEC Operating Statement and TOMS Tracker Item 15 LSEEG Group Committees – Chairs’ Summary Item 18 LSEC Governance Matters

Additional Item: Covid-19 Update Report by Group Principal & CEO-SP

1. Welcome, introductions and apologies

Briggs (CB) Governor	Christopher
Daniella Oni-Okeke (DO) Student Governor	

Mark Trinick (MT)
Nick Hobden (NH)

Governor
Governor

2. Declarations of interest None reported.

3. Minutes of Previous Meeting held on 11 December 2019

Presenter: Jennifer Pharo	Paper
Recommendation: The Board are asked to APPROVE the minutes of the LSEC Board Meeting on 11 December 2019.	
The Board APPROVED the minutes of the meeting held on 11 th December 2019.	

4. Action Log & Matters Arising including Covid 19 Update

Presenter: Dr Sam Parrett OBE/Jennifer Pharo	Verbal Paper
Recommendations: The Board are asked to NOTE the actions log attached arising from the minutes of the previous meeting. The Board asked to APPROVE the minutes of the Special Board Meeting held on 26 February in relation to the approval and submission of the Integrated Financial Model for Colleges (IFMC), the new four-year financial plan.	
Comments and Challenge	
Action Log: MH advised that nominated Student Charity for 2019/20 is FE Foodbank Friday initiative. The Board APPROVED the minutes of the Special Board Meeting held on 26 th February 2020.	
Special Matter Arising: Covid-19 Update (SP)	
The Board were updated by SP on the status of operations following national lockdown and directives from DfE and Government for educational settings. <ul style="list-style-type: none">• Classification of vulnerable students and key workers still to be fully confirmed.• Obvious impact for our Schools in the Trust and the SEND provision and vulnerable learners in the College which represents c1000 LSEC students in current year.• Business Continuity Meetings are scheduled every day with Group Senior Management Team.• All provision had moved to online or remote learning from Monday 23rd March.	

- Erith, Plumstead and Bromley Campuses had remained opened w/c Monday 23rd March, but due to very small numbers, it has been decided to consolidate to one site (Erith Campus) by Monday 30 March.
- Bexley Local Authority has approached the College to use Erith Campus as a hub for continuing provision across the Borough for vulnerable and key worker children as part of the Local Authority responsibilities under the new Covid statute. This is due to be open after the Easter Break.
- College students are working remotely and accessing online materials and various applications. Staff are engaging with students and each other through MS Teams, Zoom, Moodle and other media platforms.
- Regular contact with students is being made by tutors, additional support staff and student engagement teams.
- Further government guidance in relation to FE is still required in particular around apprenticeships, wage subsidy schemes and current year funding.
- Still risks and clarity required on funding and exams. Government have promised that further advice and guidance for FE colleges is coming.
- Financial impact will be assessed across provision once information is received and positions clarified.
- Permanent and established staff are being supported. More work and clarity is being sought on agency and variable staff. Wage subsidies and furlough schemes are currently being assessed.
- Assuming a 12 week lock down with government review in 3 weeks time.
- Regular communications to staff are in place across all areas and departments.

Comments and Challenge

SH-Chair extended thanks to SP and Senior Team for business continuity work and supporting students and staff through difficult times.
 SP advised that many staff had still been attending work settings on Monday 23rd March, to support students who might present. Will be able to scale this back based on low volumes and with core skeleton staff at Erith Campus going forward. Queries with regard to PPE have been raised and are being followed up with Local Authority.

Governor-JH extended thanks to SP and Senior Team and asked about safeguarding arrangements.
 SP advised very complex plans, Safeguarding Teams are maintaining contact with those most vulnerable learners either on the register or with an assigned social worker. Risk Assessments for all learners are in place or being updated. MH advised that mental wellbeing for those learners with safeguarding concerns was also a key issue being addressed and where concerns arise, they are being supported by the Mental Health Team too. CPOMS safeguarding system has been particularly useful, providing live updates.

Governor-CY extended thanks to the team and queried how well was technology holding up.
 MH advised that curriculum teams had moved very quickly to online learning and staff, students and systems appeared to be coping well. Evaluation of student engagement would be provided for the Board at the next meeting. MH advised that engagement by level would identify where there may be gaps in the lower level student engagement or where access to IT equipment or internet was an issue.

Governor-LN extended thanks to the team for the fantastic team efforts. LN confirmed that LSE (her own education setting) had moved to remote working too.

OFS has been relatively relaxed and a little more supportive in the circumstances. Awaiting decisions from OfS on reportable incidents and changes to mode of delivery although current tone of correspondence suggests that regulations will be relaxed and deadlines extended.

5. Deep Dive: Apprenticeships

Presenter: Mary Herbert/Neil Coates	Presentation & Paper
<p>Recommendations:</p> <p>Committee asked to NOTE and COMMENT on the Deep Dive into Apprenticeships which will include a review of strategies, policies, data and impact.</p>	

<p>NC provided an overview of national policy for ESFA, IFA and Ofsted and presented a deep dive review of the intent, implementation and impact of the apprenticeship provision at LSEC.</p> <p>Key Issues were reported as</p> <ol style="list-style-type: none"> 1. Timely achievement rates in STEM areas are still below national rate and not improving at an acceptable rate 2. Significant achievement and minimum levels of performance risk due to high levels of electrical and plumbing apprentices planned to finish in 2019/20 3. Sequencing of learning in the classroom is good, however, remains challenging in the workplace due to the individualisation of job roles <p>Actions ongoing were reported as follows</p> <ol style="list-style-type: none"> 1. Rapid improvement plan to increase overall and timely achievement rates to at least national rates 2. Embed JTL subcontracted learners wholly into college quality processes through a quality framework 3. Develop more in depth, flexible schemes of learning to support linkages to curriculum and work-based learning which is accessible for employer and apprentice <p>NC advised on the current situation in relation to Covid 19 and reported</p> <ul style="list-style-type: none"> • Financial modelling and impact being prepared. • Review on the impact to apprentices who are not able to complete due to lack of EPS facilities. • Assessing where learners are being furloughed or losing their jobs.
<p>Questions and Comments</p>
<p>Board expressed thanks to NC for his paper and presentation which provided context on the different subject areas and ongoing current challenges.</p>

6. LSEC College Principal's Report

Presenter: Mary Herbert	Paper
<p>Recommendations: The Board is asked to CONSIDER and NOTE the contents of the report and appendices, summarising</p> <ul style="list-style-type: none"> • Progress and performance in year for all provision types. • 2020/21 Curriculum Planning • 2020/21 Marketing and Recruitment • Progression and destinations strategy 	

MH provide an update on the work undertaken by the curriculum teams and managers to make sure that the students receive the highest standards of education and pastoral care.

The Board were asked to note the report had been prepared pre national lockdown and Covid-19 pandemic, so the narrative provided the performance position prior to any evaluation of impact.

MH advised that recruitment interventions at this time of year are focussed on ensuring that the in-year recruitment targets built into the forecast and budgeting are met and there are further 16-18 learners in ESOL and Traineeship provision currently in the pipeline of recruitment. Apprenticeship recruitment is below profile, with this being reflected in the income forecasting. Plans are in place to place through the key account managers to make up this profile.

MH advised that withdrawals are monitored at VP level and curriculum teams make every possible intervention before learners are withdrawn. Despite the volume of withdrawals, the retention rates for both age categories of learners remain above target and are closely monitored.

MH advised that attendance remains a major focus of the curriculum management team. Vocational attendance is above target at 83% but lower attendance in English and maths is having a negative impact on the overall position. Local level interventions are having a positive impact in some areas, and there are plans to extend these further and reintroduce the attendance officer role which has a proven impact on raising attendance.

MH reported that apprenticeship achievement rates have been reforecast and are currently expected to be within half a percentage point of target and an improvement on last year's final position. There are targeted interventions and intervention plans in place for all 2019/20 leavers in order to maximise achievement.

MH reported that for English and maths, there has been a lot of work to ensure that the volume of learners not meeting the condition of funding is reduced, with this figure currently at 6.3% against a tolerance of 5%. Work continues trying to reduce this figure further.

MH advised that open event and other marketing and recruitment activity have resulted in an increased level of applications over this point last year. Some changes have been made to the way in which offers are made to speed up this process and impact on the conversation rate.

MH advised that curriculum planning for 2020/21 is well advanced and the proposed course file is broadly meeting the indicative allocations. Progression and providing

the right progression opportunities through the curriculum have been a major focus of the process and there are additional progression opportunities especially at level 4 with a new course offer mapped into the level 3 provision in each CPD area. Curriculum planning will be finalised with presentations to the Principalship panel at which point the next detail phase of work will start.

Questions and Comments

The Board **RECEIVED** and **NOTED** the report.

7. LSEC Matrix Accreditation & Gatsby Benchmarks N

Presenter: Clive Ansell	Presentation/Paper
<p>Recommendations:</p> <p>The Board is asked to COMMENT and NOTE on the awarding of the Matrix Accreditation to Student Services and a briefing on Gatsby Benchmarks.</p>	
<p>The Board received the report by the Careers Advisors is based on the Compass assessment tool carried out in October 2019 and summary provided by VP-Clive Ansell.</p> <p>CA has identified the key issue as careers advice being missed by central processes and is not reflected in the Compass assessment</p> <p>CA advised the follow up actions would include the involvement of the curriculum teams in the Compass assessment and would ensure actions are shared.</p>	
<p>Questions and Comments</p>	
<p>Due to the current circumstances in relation to moving the Board Meeting to an online meeting following Covid-19 national lock down, this item was for the Board to NOTE only and there was no additional discussion.</p> <p>The Board NOTED the papers for information.</p>	

8. LSEC Board Evaluation: Improvement Plan

Presenter: Stephen Howlett/Jennifer Pharo	Paper
<p>Recommendations:</p> <p>The Board is asked to REVIEW and APPROVE the Board Improvement Plan derived from the self-evaluation assessment completed and reviewed by the Board in December 2019 as recommended by the LSEEG Strategy, Search and Remuneration Committee on 22 January 2020.</p>	
<p>The Board was reminded that a Board Self Evaluation was completed in December 2019 by the Chair and Vice Chair of the LSEC Corporation, which assessed the Board's effectiveness against sixteen core criteria, linked to the charitable objectives of the Corporation, the AOC Code of Good Governance and both the Nolan and public interest governance principles.</p>	

JP advised that following the approval of the Self Evaluation at the LSEC Board Meeting on 11th December 2019, a Board Improvement Action Plan has been developed to monitor performance against the criteria identified in the process, as requiring improvement.

JP presented the LSEC Board Improvement Action Plan attached as Appendix A for review, discussion and APPROVAL by the Board.

This details the six areas identified by the Board as requiring some improvement. Also included for reference within the action plan are the detailed criteria assessed within the self-evaluation and the overall Heat Map produced from LSEC Board Evaluation

Questions and Comments

Due to the current circumstances in relation to moving the Board Meeting to an online meeting following Covid-19 national lock down, this item was for the Board to note and there was no additional discussion.

The Board **APPROVED** the Board Improvement Action Plan as presented in the Board papers.

9. LSEEG Corporate Strategy – LSEC Operating Statement and TOMS Tracker

Presenter: Louise Wolsey	Paper
<p>Recommendations:</p> <p>The Board is asked to REVIEW and APPROVE the final LSEC operating statement and CONSIDER the TOMS Tracker as the tool for monitoring progress against the strategic goals and objectives.</p>	

The Board received an updated report on detailing the progress made on implementing the Group Strategy since October 2019.

The report confirmed that the Group Strategy and Operating Plans for the LSEC, LSEAT and LSfG were approved by their respective boards in October 2019. On the back of this adoption, the full strategy has been communicated through internal newsletters and SLT meetings, enabling implementation to begin across each part of the Group.

The Board were advised that in the first stages of implementation it was decided to initially prioritise the following areas of work:

- The establishment of the central Group Strategy Project Office to design the evaluation framework by which social impact will be measured.
- Enable the capture of social value generated by delivery of key projects through partnering with a specialist social enterprise partner the Social Value Portal.
- To embed the principles of the Group Goals and Values into core people practices. This was to embed accountability for the implementation of the strategy at every level of the organisation, enabling and driving a change in

behaviour to make the Group ambition central to everyday activity and practice.

- Translating the strategy into a simple format for use with staff, students and external partners and stakeholders.

As reported in October to ensure that the strategy will be able to demonstrate impact through an independent and verified evaluation methodology, we have adopted the National TOMS Framework, Themes, Outcomes and Measures: these are defined as below.

- THEMES – the components of an organisation’s “vision” for social value
- OUTCOMES – the positive changes that the organisation wants to see. In effect, what “good” looks like to that organisation
- MEASURES – what objective indicators will be used to measure whether these outcomes are being met

The Board were advised that this approach is widely used by the Local Government in many aspects of Public Sector procurement to demonstrate value for money and added value of social impact and is currently being consulted on by the government for the procurement of central government services and contracts.

The Board were advised that Group has partnered with the Social Value Portal an on-line solution that allows organisations to measure and manage the Social Value that they generate. Working with the SVP, the Group Strategy Project Office has aligned the Group Goals and Operating Plan Objectives against the TOMs framework and defined data/information which would be used to evidence this. This is now being used to build a platform, through which data can be captured and social value calculated.

The pilot is using data from the 18/19 operating year for the College. Once fully tested the approach can be used for the current year data (19/20) and will allow the social value generated through the College activity to be calculated. Once complete, the learning from this pilot will be applied to the other parts of the group, which will be set up as entities in the Social Value Portal.

It was reported that from this work we have also created draft KPI dashboards which embed social value in our business health indicators. This is also being tested with the platform through which data can be collated and social value generated. Work has commenced with the HR and MIS team to ensure it will be possible to evidence progress with existing data or consider what new data may be required and how this will be collected. This adds value to our evaluation approach as the impact of the Group Strategy will effectively be verified independently.

Further information on progress against the Operating Plan objectives is detailed in the LSEC Operating Plan progress update October 2019-March 2020.

The support appendices circulated document the priorities outlined above. Included for information were

- Final Group Strategy document
- Group Strategy Implementation Plan 1
- The first TOMS tracker which has been developed for the College as the pilot.

- An example Governor/Trustee KPI Dashboard aligned to the new strategy using social value metrics alongside normal 'business health' indicators
- The Operating Plan progress template (October 2019 to March 2020)
- An example Report from the Social Value Portal
- An example Social Action Report for an LSEC project that we will be able to demonstrate.

The report circulated to the Board concluded that the main current gap in this approach is a wider stakeholder engagement and needs analysis exercise to inform priorities. However, this year the focus has been on raising awareness and understanding of the Group Strategy internally with staff across the Group through embedding the systems and processes we need to effectively implement this new approach.

It is proposed to embed the 'student/learner voice' and 'community voice' in the planning for staff development events later this year, to ensure this is integral to the planning of the wider academic teams across the Group as we move forwards.

Questions and Comments

Due to the current circumstances in relation to moving the Board Meeting to an online meeting following Covid-19 national lock down, this item was for the Board to note and there was no additional discussion.

The Board **APPROVED** the Operating Statement.

10 LSEC KPI Scorecard

Presenter: David Lambert	Paper
Recommendations: The Board is asked to CONSIDER and NOTE progress against targets.	

DL reported on the KPI Scorecard and advised that attendance prior to the national lockdown and move to remote learning, remains a key concern with current overall attendance being under target at 80.5%. Whilst local initiatives in some curriculum areas are having a positive impact attendance overall is showing signs of reducing week on week. Low attendance rates are mainly impacted by English and maths, but vocational attendance has also started to decline slightly.

DL reported that retention remains high and above target with no current concerns that this will not meet the full year target.

DL reported that vocational achievement evaluated before the national lockdown and subsequent changes to examinations and assessment, was predicted to meet target from information coming from the progress reviews and scrutinised at the PIM meetings. Apprenticeship achievement is still predicted to improve on last year's position. At this stage English and maths is more difficult to predict, with low attendance impacting on the volume of learners who have not yet completed assessments and potentially the accuracy of prediction. With the potential that this has a negative effect on the overall position.

DL advised that external surveys have been delayed due to the election, but the FE choices survey has now been released and launched to College learners on the 16 March. The HE NSS survey also remains live, closing at the end of April. There have been no other changes to the reported figures in the KPI scorecard and the results

of these two important external surveys will be reported separately later in the year when the results are available.

DI advised that work Experience and Career Advantage both currently have good levels of engagement and usage and are forecast to meet target.

DL reported that lesson observations are on track against the schedule prior to lock down, with just under half of the targeted number completed at this mid-point in the year. FE lesson observations show an 80% good or better profile and HE observations show 76% of observations are commended or show Confidence. It is expected that the teaching and learning metrics will improve and meet target as the volume of observations increases over the year.

DL reported that the completion of performance managements appraisals is too low, currently standing at 57%. Relevant exception-based reporting has been supplied to all managers and appropriate actions will be taken with managers where there is continued noncompliance.

<p>DL reported that the financial position remains challenging, but the forecast is that the College's financial health remains good. Under recruitment in Adult ESFA and HE are the two main factors impacting on the College's financial position.</p> <p>Managers have and continue to work on reduce cost where there is an income shortfall wherever this is possible and will not be detrimental to quality. The financial measures at curriculum department level are closely monitored and actions taken, as necessary.</p> <p>With the actions which have and continue to be taken, it is anticipated that the budgeted operating position for the year can still be achieved.</p>
<p>Questions and Comments</p>
<p>The Board asked what measures were being used to monitor engagement and participation during lock down.</p> <p>DL advised number of participation reports accessed from a variety of systems, which will enable curriculum teams to identify and pinpoint learners not engaging.</p> <p>DL advised that the Teaching Sills Academy are supporting staff with online content delivery and monitoring remotely.</p> <p>Work and communications with Awarding Organisations is ongoing, with further clarification awaited on examinations and assessment practice for year end.</p> <p>ACTION: MH/DL advised that an update on learner engagement and participation would be provided at the next LSEC Board Meeting.</p>

11 LSEC Staff Governor Update

Presenter: Barry Spencer/Andrew Cox	Verbal
<p>Recommendations: Board are asked to NOTE the verbal update from the Staff Governor and Chair of the Staff Forum.</p>	
<p>Staff Governor-BS reported that the switch to online delivery had been a great opportunity for staff to explore different delivery modes. Platforms like MS Teams are being well used and students and staff conducting robust and engaging participation and lessons. BS hoped that this engagement with technology would continue post lock down and was keen to gather and evaluate how well content had been developed and preferred delivery platforms.</p>	

Staff Forum Chair-AC advised that staff forums had been held and in the current climate a virtual forum was being considered as part of a “Virtual College” concept. AC reported that FE Foodbank Friday was making very good progress Foodbank with food donations distribute by the estates team. A Just Giving page has now been set up to encourage donations and discussions are in train with other FE providers to support and join the online initiative.

12 LSEC Financial Performance

Presenter: John Hunt	Paper
<p>Recommendations:</p> <p>The Board were asked to CONSIDER the report and Management Accounts for the period 5 ended 31 December 2019 and receive a financial update on period 6 ended 31 January 2020.</p> <p>Two additional paper were circulated just prior to the meeting and tabled. These relate to an update on the financial status following closure due to Covid-19 and impact on Capital Projects.</p>	
<p>CFO-JH presented the LSEC Management Accounts for the period ended 31 December 2019 (period 5) which had been considered by the Finance Committee at its meeting in February and show an adjusted operating surplus for the year prior to FRS102 pension adjustments of £65k. This is slightly lower than forecast for the year to date as a consequence of income being lower than budgeted.</p> <p>CFO reported that the period 5 reforecast shows that although the College has under recruited against some income lines, some of this shortfall has been replaced with subcontracting and a number of other income lines which are expected to be above budget including High Needs, Self Financing Courses and Adult Community Learning (ACL). The net result of which is that income is expected to be marginally above budget at the current time.</p> <p>CFO-JH advised that although the College is faced with additional costs for subcontracting and in the running of its estate, it is currently anticipated that the budgeted operating position for the year can still be achieved.</p> <p>CFO-JH advised that as previously reported, the forecast costs of the Future Greenwich Project have escalated to circa £28.2m, from an original estimate of £24m. Although the Corporation has approved an increased budget of £26m, this still leaves a considerable shortfall. CFO-JH commented that actions are being pursued in order to try to raise further funds to support this shortfall.</p>	

CFO-JH reported that there continues to be some significant budget and contractual issues with the Biggins Hill (LATC) project which are being worked through to resolution. However, it is unlikely that LSEC will be unable to solve the majority of the budget shortfall without securing some further external investment.

CFO-JH advised that the result of the triennial valuation of the College LGPS has now been received. This has resulted in a 0.5% increase to the employer contribution rate which will cost circa £80k per annum.

Financial Updated reported following College Closure from Covid-19

CFO-JH updated the Corporation on the current status following national lockdown associated with the Covid-19 pandemic. CFO-JH advised that with the College being closed to most learners, there is a risk that learners will not be able to complete their course and sit the required practical assessments.

CFO-JH advised that it is already known that there will not be any final exams, and this will put the achievement payments of some funding streams at risk. In addition, we had a level of planned starts throughout the rest of the year for learners across a number of funding streams and this income is will now be lost in most cases.

CFO-JH advised that the total income considered to be at risk at the current time is circa £2.4m, with this equating to approximately £1.26m of cash inflows. These estimates were prepared before the announcement by the Prime Minister of an effective lockdown and will be revisited as more information on financial support and guarantees are made available.

CFO-JH advised that with the current level of risk to our cash flows, it is not expected that the College will experience any solvency issues, but this is being monitored closely.

CFO-JH advised that much has been promised by the funding agencies regarding income but until the detail is forthcoming it is not possible to properly evaluate and be sure of how much of the income is at risk.

CFO-JH advised that depending on the decision made about grant funding, the income and cash flow at risk for the year could be as low as circa £0.5m.

CFO-JH reported that in contrast to the potential income risks, there may be some savings in agency staff costs and non-pay costs which would mitigate the income reductions. This together with the potential for the College to gain support from the Government for staff who are 'furloughed', may mitigate a large proportion of the income risks.

CFO-JH advised that discussions have been held with Barclays Bank regarding the potential impact of Covid-19 on the financial performance of the College. In response Barclays have provided assurances that they will take a very pragmatic view of covenant tests in the current unprecedented circumstances.

Questions and Comments – Finance

In response to Governors questions, CFO-JH advised the following

- that c£700k AEB achievement funding could be at risk – some of which is due to partners.

- that confirmation of Term 3 Local Authority High Needs income was still required which was valued at up to £1.8m. It is anticipated that Local Authorities will be mandated to continue to pay these commitments but to date no guidance has been issued.
- that £300k of SLC income in may be at risk. Again, further clarity is awaited.
- that commercial income including income from commercial activity had ceased e.g., BR6 hospitality, hair salons and lettings.
- that cash flow will be tight but that the £3m revolving credit limit with Barclays was available if required.
- that there were savings to be made and confirmation on whether the college is eligible for the JRS is still pending.
- that there is c£100k of agency staff savings, together with lower maintenance costs.

In response to a question regarding the bank covenants, CFO-JH advised that the banks were not particularly concerned and taking a very pragmatic view.

ACTION: CFO-JH advised that further update on the financial positions would be shared at the Special LSEC Board that had been scheduled for 13th May 2020. This is an additional Board Meeting that has been added to the schedule of meeting to provide Governors with oversight during the Covid-19 pandemic and interruptions to operations.

ACTION: In response to Chair Finance Committee-AC, CFO-JH to conduct a review of contracts to ascertain where force majeure clauses could be exercised to reduce costs. Advice to be taken on any deemed not required to pay.

Governors congratulated CFO-JH on excellent financial reporting at difficult times and managing cash flow very well.

Property Strategy Update: Covid 19 Impact

Recommendations:

The Corporation were asked to consider and comment on the content of the paper and:

- a) **APPROVE** the investment of £340k to bring forward the Orpington site designs in order to realise enhanced land values from an outline planning consent and site marketing.
- b) **CONSIDER** and **APPROVE** entering into a Side Agreement to enable the planning submission of the Plumstead scheme, without exchanging contracts.

Group Director Estates-AS reported to the Board that whilst it was too early to quantify the effect of the Covid-19 crisis, it is very likely to impact negatively on both programme and costs for our Biggin Hill and Plumstead capital projects.

The Boards were reminded that at Plumstead, the project viability pivots upon residential apartment market sales and their values. Confidence in this market may be weakened and this will be a primary consideration of L&Q going forward to precontract.

Group Director Estates-AS reported that all design and preparation work has been concluded, ready to submit a planning application for Plumstead. The Royal Borough of Greenwich are currently taking legal advice on the possible suspension of the planning committee cycle in the current Covid-19 crisis.

CFO-JH advised that the current budget position for both major capital projects remains unchanged since our last report in February, where a budget shortfall exists of £1.9m for Biggin Hill and £2.27m for Plumstead after £0.5m of disposal costs are paid by the College.

Group Director Estates-AS advised that significant efforts are being made to close the funding and budget gaps through a number of avenues.

Plumstead

Corporation were advised that a supplementary funding submission application has been submitted to the GLA for £2.07m. Further information has already been requested and submitted. This application is due to be presented to the May/June LEAP committee for consideration.

Corporation were advised that this will delay the exchange of contracts with L&Q and the planning submission, as without this financial support the project cannot go ahead.

LATC Biggin Hill

Corporation were advised that a submission is being prepared for support from the GLA for part of the financial shortfall.

Additionally, continued discussion with London Borough of Bromley, Biggin Hill Airport and major sponsors are all being explored at this time to address the funding gap.

Questions and Comments on Capital Projects

The Board discussed the paper presented, which required two key decision of the Board as follows: -

Orpington:

- To bring forward the release of this asset through investment in an outline planning proposal, prior to taking to market.
- Outline plan would be valid for three years.
- Areli owners of the Walnuts have already launched their campaign with a relatively slow timeline.
- Suggestions that the College may want to move faster than this and not align to their scheme.
- A tender had been conducted with Architects – approximate cost of outline planning and design c£340k.

Plumstead:

- To identify issue around the Plumstead Scheme and challenges to funding.

- To enter into a Side Agreement with L&Q to mitigate and solidify their commitment and parties acceptance to pay their own planning costs should venture not proceed.

Orpington

Chair-SP advised that the Corporation needed to be mindful of what might now happen to the property market, initial suggestion is a 10-20% drop followed by a boom in 2023.

Finance Committee Chair-AC questioned if the plan would be phased e.g. car park and then building. Phasing may release more assets and generate better options.

Chair-SP questioned the position of the Local Authority with Areli and suggested we reconsider whether this collaboration and timeline might better fit in the long term. Corporation agreed that working on more than one option would be best.

Board **CONFIRMED** that they could **NOT APPROVE** £340k expenditure at this moment in time and although in principle the action does need to be completed, the Board would like to consider further options in the current climate.

ACTION: CFO-JH and Group Director Estates-AS to update on any progress at the next meeting.

Plumstead

Group Director Estates-AS advised complicated issues in relation to

- L&Q Board approval process,
- submission of joint planning proposal with L&Q
- additional funding request by LSEC to GLA to bridge the gap.

Group Director Estates-AS requested the Board to **APPROVE** a Side Agreement with L&Q, which would protect the programme through planning with both parties accepting to pay their own costs. Joint planning costs are estimated at £500k.

Board were reminded that LSEC is currently in an exclusivity agreement with L&Q and they are receptive to a Side Agreement in these turbulent times.

The Board discussed the precarious position of the property market, in particular relating to House Associations and the consideration of the risks and budget position, ahead of the L&Q Board decision.

CFO-JH clarified that planning costs had been included in the initial project budget and this was not about approving more spend, but within the previously approved capital project budget.

The Board **RESOLVED** to **APPROVE** to enter into a Side Agreement with L&Q.

13 LSEC Risk Management

Presenter: John Hunt	Paper
----------------------	-------

Recommendations:

The Board is asked to **CONSIDER** and **NOTE** the contents of the summary report on LSEC Risk Register.

CFO-JH advised the Board of the main changes to the risk scores and the summarised the reasons behind those changes

These include three new risks to cover End Point Assessment impacting on achievement, together with, Brexit, and Coronavirus or another epidemic which is now the highest risk.

The detailed risk register entries for these risks together with those for the High risks were presented in the report appendices.

CFO-JH advised that in addition, some risks had been replaced or refocussed. Of the 43 risks currently identified on the risk register, 11 are regarded as High, 23 as Medium and 9 as Low.

CFO-JH advised the Board that the financial risks had been reduced from Business Critical to High, in accordance with the expected financial outturn and health score for the year.

CFO-JH advised that the main changes to the risk register were

Risk C1: relating to the failure to meet ESFA and HE enrolment targets. This has reduced now that there is more certainty on areas where recruitment is lower than expected, with some of the income reduction being offset by increases to other income streams. This risk still requires careful monitoring in order to ensure the prompt action is taken in response to any further deterioration in forecast income for the year. The score for risk CI has reduced by 9 to 27 and it is now considered to be a High rather than a Business-Critical Risk.

Risk C2 covering the financial failure of College / inadequate financial health: This risk has reduced following preparation of the period 5 forecast outturn for the year, and the updated 3 Year Financial Plan and Cash flow forecast prepared in February 2020 and approved by the Board. This work reports that although the College is in a very challenging financial position, in the Medium term the risk of financial failure or a decline in the underlying financial health has reduced providing the current major capital projects proceed and are not abortive. As a consequence of the above, the risk score has reduced by 12 to 24 and it is now considered to be a High rather than a Business-Critical Risk.

Risk C6: covering the failure to ensure staff to have up to date induction, H&S, Safeguarding & Prevent training. This risk has reduced with new controls now becoming embedded and much higher levels of compliance. Therefore, the score of this risk has reduced by 6 to 12 and with the risk still classified as Medium.

Risk C9 regarding growth of apprenticeships or changes in related funding. This risk has reduced with the stabilisation of overall apprenticeship income this year, and with the introduction of a new Group Apprenticeship Strategy. The risk score has been reassessed and has reduced by 15 to 21. This is now classified as a High rather than Business Critical risk.

Risk C18 relating to the Ofsted grade declining. This risk has been removed following the Ofsted inspection and this is now monitored through risk C3. CFO-JH advised that Risk C18 has been reused to cover the digitalisation of our curriculum. If the College does not take steps to increase the use of digital technology for learning, and in the classroom, it will be in danger of falling behind others in the

sector. This may impact on our ability to reduce delivery costs, attract and retain learners, and the student experience.

Risk C22 relating to the potential for a major dispute with an Industrial Union or strike action. This risk has reduced slightly due to our good relationships with Unions and the historic pay awards offered by the College. As a consequence of this, the risk score has been reduced by 2 to 14, and it is still considered to be a Medium risk.

Risk C26 relating to maintaining timely and accurate data. This risk has been reassessed following the work completed to create additional reporting to curriculum managers in order to support decision making and operational management. The risk score has been reduced by 2 to 14, and it is still considered to be a Medium risk.

Risk C38 has been amended to focus on the risk attendance poses to learner achievement rather than Ofsted. As a consequence, and in response to current levels of attendance, this risk score has increased by 8 and is now considered to be a Medium rather than a Low risk.

Risk C41 has been added to cover the change in how some qualifications are ultimately assessed with a move to end point assessment. This may impact on both learner and College level achievement rates. The risk has initially been assessed as Low with a risk score of 10.

Questions and Comments

The Board extended thanks to CFO-JH for a comprehensive report and **NOTED** the changes to the risks as detailed in the summary report and heat map.

14 LSEEG Group Committees – Chairs’ Summary

Presenters: Various	Papers
<p>Recommendations: The Board is asked to CONSIDER and NOTE the Chair’s Summary Reports from the following Group Co-ordinating Committees</p> <p>(a) Curriculum & Standards held on 12 February 2020 (Mark Trinick) (b) Finance Committee held on 26 February 2020 (Charles Yates) (c) Audit Committee held on 11 March 2020 (Max Bero)</p>	
<p>Due to the current circumstances in relation to moving the Board Meeting to an online meeting following Covid-19 national lock down, this item was for the Board to note only and there was no additional discussion.</p> <p>The Board NOTED the Committee Chairs’ Summary Reports.</p>	

15 LSEC Policies: 2020/21 Tuition Fees and Charges

Presenter: John Hunt/Mary Herbert	Paper
<p>Recommendations:</p> <p>The Board is asked to APPROVE the Tuition Fees and Charges Policy for 2020/21</p>	
<p>CFO-JH presented the policy to the Board and advised that the Board are required to agree the general principles for College tuition fees on an annual basis. The Tuition Fees and other Charges Policy is a detailed operational policy which mainly sets out the charges and support for learners as appropriate to the circumstances in accordance with Government policy, together with details of College instalment schemes and circumstances for refunds.</p> <p>CFO-JH advised that there were only a few minor changes have been made to the document in accordance with Government policy and the Corporation are asked to approve the document for another year on this basis.</p> <p>CFO-JH advised that that it is proposed there will be</p> <ul style="list-style-type: none"> • no increase in FE tuition fees for 2020/21 given the highly competitive nature of the market in London and in order to maintain future enrolment levels • minimal fee increases are proposed for some direct HE courses • commercial course fees will continue to be agreed on a course by course basis subject to market forces and target contribution levels • apprenticeship levy and non-levy fees which are subject to evidence of negotiated price will continue to be charge at the highest level where possible to do so. • 	
<p>Questions and Comments</p>	
<p>Following some brief discussions on materiality impact of increasing fees, the Board APPROVED the 2020/21 Tuition Fees and Charges.</p>	

16 Regulatory Updates

Presenters: Various	Verbal
<p>Recommendations:</p> <p>The Board is asked to CONSIDER and NOTE the verbal updates.</p> <ul style="list-style-type: none"> • David Lambert: Safeguarding. • Jennifer Pharo: Data Protection 	

<p>Safeguarding update</p> <p>DL reported that following Safeguarding SG in January, work still underway to standardised reporting across the group organization to provide assurance to the Board. DL advised that progress was very good.</p> <p>ACTION: An update on safeguarding during the national lockdown would be provided at the next LSEC Board Meeting.</p>
<p>Data Protection update</p> <p>Clerk-JP advised that ICO complaint received in relation to a near miss in HR, which related to the sharing and handling personal data.</p> <p>The ICO accepted that the incident was the result of human error and requested that</p> <ul style="list-style-type: none"> • All staff to take extra due care and attention when sending out correspondence by double checking addresses and only sending out relevant and appropriate information. • To check that all staff have undertaken data protection training within the last 12 months. <p>Clerk-JP advised that GDPR refresher training for all HR staff had been completed. A GDPR refresher training programme for all staff had been launched in March for completion by end June 2020.</p>
<p>Questions and Comments</p>
<p>The Board NOTED the updates.</p>

17 LSEC Governance Matters

Presenter: Jennifer Pharo	Paper/Verbal
<p>Recommendations: The Board is asked to CONSIDER and NOTE the following items</p> <ul style="list-style-type: none"> (a) FE Commissioners Annual Report published in February 2020. (b) Changes to the Insolvency Guidance for Colleges published in January 2020. (c) Strategic Board Development – 13 May 2020 from 12 noon (d) Use of the Company Seal 	

Clerk-JP requested that the Board **NOTE** the following matters

- (a) FE Commissioner Annual Report attached as Appendix A, published in February 2020. The report provides an overview of the volume, level and type of interventions and support the FE commissioner and his team have provided throughout 2018/19. In the reporting period of 2018/19, the commissioner reports a drop in the number of colleges in formal intervention but an increase in the number of colleges stepping forward for support. The most significant cases of 2018/19 are familiar to the Committee and include Hadlow and West Kent Colleges both of whom were declared insolvent in the summer months.
- (b) Changes to the Guidance on Insolvency in Further Education, published at the end of January 2020 attached as Appendix B. The changes are minimal to include additional information on the college oversight regime, the introduction of the Integrated Financial Model for Colleges and with changes to financial dashboard and guidance on the Governance Codes issued by Charities Commission.
- (c) Conditions of Designation relating to the appointment of Dr Sam Parrett, OBE as a National Leader of Further Education (NLFE) attached as Appendix C. This outlines the roles and duties of the designate and the terms and conditions of office. This Agreement is personal to the NLFE in this instance, Dr Sam Parrett, OBE and made with the DfE, but is subject to review based on certain criteria

and conditions in relation to the College, for example a review of the NLFE would be undertaken if a NLFE's college

- is judged by Ofsted to require improvement (RI) or to be inadequate,
- receives a quality or financial health notice to improve from the ESFA.

In addition, the Board are also asked to NOTE that an additional £10,000 has been allocated to the annual funding agreement between the College and the ESFA, every year for the next four years, which represents a payment to the College for Dr Sam Parrett's services as an NLFE. This is paid at the rate of £2,500 quarterly over the next four years.

- (d) The use of company seal on 5th March 2020 in respect of a Grant Funding Agreement between The Greater London Authority and LSEC, in relation to capital projects funding for the Mayor's Construction Academy with a commitment value of £1.6m.

Questions and Comments

Due to the current circumstances in relation to moving the Board Meeting to an online meeting following Covid-19 national lock down, this item was for the Board to note only and there was no additional discussion.

The Board **NOTED** the reports and appendices presented within the meeting papers.

18 Any other business

Group CEO & Principal-SP advised the Board that due to the current lockdown situation, all staff have been mandated to take leave from Monday 6th April through to Wednesday 15th April, the Easter Period.

Group CEO & Principal-SP advised the Board that home working grants for equipment up to a value of £100, had been made available for staff who required this support.

19 Date of next meeting

Clerk-JP requested that the Board note that the Board Development Event scheduled for 13th May would now be converted to Special Board Meetings for all Group Organisations.

The next LSEC Board Meeting would be on 13th May at 4.00pm and would be conducted remotely via Zoom.

Approved on 13th May 2020 :

A handwritten signature in black ink that reads "Stephen Howlett". The signature is written in a cursive style with a long horizontal stroke at the end.

Stephen Howlett, CBE DL
Chair