

CITY OF WOLVERHAMPTON COLLEGE

Minutes of a Meeting of the Board of Governors held on Monday 11 December 2023 at 5pm via Teams

PRESENT

Mr Mike Hastings - Chair	Mr Mal Cowgill – Principal and CEO
Ms Ioana Axinte - from 5.25pm	Mr Gabriel Gregorini
Ms Dionne Barrett – from 5.55pm	Ms Wendy Harris
Mr John Bradford	Mr Darren Shaw
Ms Jane Carter	Mr Mark Taylor
Mr Sam Duru	Mr Scott Thompson – from 5.15pm
Mr Trevor Dutton	Ms Amanda Tomlinson – Vice Chair
Mr Ian Gardner	

IN ATTENDANCE

Mrs Alison Buick	Head of Governance
Mr Paul Davies	Interim Director of Finance
Mr Mike Dixon	Assistant Principal
Mrs Louise Fall	Deputy Principal
Mr Peter Merry	Deputy Chief Executive
Mr Mark Munro	Partner, Bishop Fleming – until 5.30pm
Ms Lynn Parker	Assistant Principal
Ms Rose Urkovsis	Head of Student Entitlement – until 6.20pm

APPOINTMENT OF A CHAIR AND VICE CHAIR

Mark Taylor referred to his previous communications with Governors and confirmed his intention to step down as Chair with immediate effect due to changes in his work role at City of Wolverhampton Council.

Mike Hastings had expressed interest in becoming Chair and there had been no other nominations.

Resolved: that Mike Hastings be appointed as Chair of the Board for a two year period from 11 December 2023.

Mark Taylor was willing to be appointed as Vice Chair and there had been no other nominations for this.

Resolved: that Mark Taylor be appointed as Vice Chair of the Board for a two year period from 11 December 2023.

23/24 APOLOGIES AND DECLARATIONS OF INTEREST (ITEM 1)

Apologies were received from Mr Simon Evans and Ms Hshaana Knight.

There were no declarations of interest. The Vice Chair noted his usual conflict of loyalty as an employee of City of Wolverhampton Council.

It was agreed to alter the agenda to cover the Financial Statements item next.

24/24 FINANCIAL STATEMENTS AND AUDIT OPINION (ITEM 8)

The Deputy Chief Executive made some opening remarks to outline the papers provided and introduced Mark Munro, Partner at Bishop Fleming, to present the Key Issues for Discussion Document.

Key Issues for Discussion Document

Mark Munro noted that he had presented the details to the Audit Committee in the previous week, so would outline the key highlights for this meeting, which were as follows:

- The audit was now complete.
- An unmodified true and fair opinion and an unmodified regularity opinion would be issued.
- Letters of Representation had been issued, to ask the Board to confirm certain statements to Bishop Fleming. There were no non-standard representations in the letters.
- Specific attention was drawn to:
 - Page 8 – Audit Risks. This outlined the audit work completed for the risks identified at the audit planning stage. These risks were the standard ones relating to management override of controls and income recognition. There was also a heightened risk relating to LGPS liabilities. Bishop Fleming had no concerns to flag to the Board in respect of their review of the risks. No material mis-statements had been identified.
 - Page 9 – Pensions. The actuarial assumptions had been benchmarked against Bishop Fleming’s client base and they had used their own actuary to review as well. Bishop Fleming were happy with the assumptions used by the college.
 - Page 11 – Managing Public Money. This was the first year of compliance with Managing Public Money requirements and the audit had included some procedures to test this. There were no concerns to be flagged to Governors.
 - Page 16 – Management Letter Points. There were two points raised from this year’s audit and three that had been followed up from last year’s. These were explained. All had been discussed with the management team and the Audit Committee.

Questions and comments were invited. The Chair of Audit Committee confirmed that there had been a good discussion about the external audit outcome at the recent committee meeting.

Audit Committee Annual Report

The Audit Committee Annual Report had been considered at the recent committee meeting and was recommended for Board approval. It gave a summary of the membership and activities of the committee in 2022/23, including the reports received from the auditors. Governors were asked to note the report conclusion, which stated that the committee’s opinion was that the audit arrangements and framework for governance, risk management and internal control were adequate and effective. The report needed to be submitted to the ESFA with the audited accounts.

Resolved: that the Board approved the Audit Committee Annual Report for submission to the ESFA.

Remuneration Committee

The Remuneration Committee Annual Report had been considered at the recent committee meeting and was recommended for Board approval. It gave a summary of the membership and activities of the committee, which had met twice in 2022/23. The appendices included the committee's terms of reference, the Senior Postholder Remuneration Policy and the committee's self-assessment questionnaire.

Resolved: that the Board received the Remuneration Committee Annual Report.

Internal Audit Annual Report

TIAA, the college internal auditors, had provided their Annual Report for discussion at the recent Audit Committee. The report gave details of the audit reviews carried out in year, the numbers of recommendations and the levels of assurance provided. The overall conclusion was that the college had reasonable and effective risk management, control and governance processes in place, and this was a clean audit opinion. The committee recommended the report for Board approval.

Resolved: that the Board approved the Internal Audit Annual Report.

Regularity Audit Self-Assessment

The document was provided for Governors to review as it was required to be signed by the Chair and Principal on behalf of the Board. The auditors had placed reliance on the document and there were no concerns raised.

Resolved: that the Board approved the Regularity Audit Self-Assessment.

College Accounts

Governors were asked to note the following in respect of the audited accounts:

- The Board was required to confirm that the report of the Governing Body was in line with their understanding of how the college operated.
- The clean audit opinion, which no longer had the material uncertainty section that had previously been included.
- That the accounts showed the consolidated figures for the group and the college. The group included the wholly owned subsidiary, City of Wolverhampton College Enterprises Ltd.
- The income and expenditure statement showed a loss for the year of £931k, but that after an accounting adjustment in respect of the actuarial gain on pension schemes, this moved to a surplus of £16,434k.
- The summary paper provided showed the reconciliation between the management accounts at 31 July 2023 and the statutory accounts. This confirmed an underlying trading surplus of £610k.

(Ioana Axinte arrived at 5.25pm)

- The £322k charge for the Barclays breakage fee was noted as an exceptional item.
- Total income had grown from £31m in 2022 to £35m in 2023.
- The balance sheet showed that net liabilities had been affected by changed to the LGPS. This year there was an asset of £6m although it had been agreed with Bishop Fleming to show this as it would not crystallise.

(Mark Munro left at 5.30pm)

- The buyout of the Barclays loan in July 2023 had reduced the creditors due within one year from £10.3m to £3.5m, which positively impacted on the current ratio.
- The closing cash position was £3.8m, compared to £1.8m in 2022. The 2023 position included capital funds received in advance, but removing this still showed an improvement, with the underlying cash position now over £2m.
- The financial health score at year end was expected to be assessed by ESFA as Good. It was hoped that this would result in the removal of the long-standing Financial Notice to Improve.

Questions and comments were invited.

A Governor commented that income and student numbers had increased but staffing costs were lower. There had been a reduction in staff numbers and also lower pension costs in year.

A Governor asked whether the LGPS would be impacted by a potential pay award. The Deputy Chief Executive confirmed that contributions were based on salary so there would be an impact. However, this was not so significant that a change to the pay strategy was felt to be necessary. There would be a further 5% increase to Teachers' pension contributions from April 2024, although it was hoped that this would be funded.

Resolved: that the Board approved the College Report and Financial Statements for the Year Ended 31 July 2023.

Enterprise Accounts and Letter of Support

- The Directors had met earlier in the day to approve the accounts. As such they did not require Board approval, but were being presented for information.
- There was a notional surplus of 5% which was gifted back to the college and therefore there was no tax liability for the year.
- The admin fees of £5,260 related mostly to the audit fees.
- The company relied entirely on the college for the conduct of its business as it employed catering, cleaning and security staff for the college. A letter of comfort had therefore been issued by the college. This had been changed due to the new requirement to comply with Managing Public Money regulations, which meant that such letters needed DfE approval. The wording of the letter had been proposed and DfE approval was awaited.

Resolved: that the Board received the Enterprises Report and Financial Statements for the Year Ended 31 July 2023.

Governors thanked the Finance team and senior staff for a comprehensive set of papers and reports.

25/24 MINUTES (ITEM 2)

It was **resolved** that the minutes of the meeting held on 6 November 2023 be **approved**.

26/24 MATTERS ARISING AND ACTIONS (ITEM 3)

Governors reviewed the actions from the previous meeting and noted the following:

- The Rail Task and Finish Group had met as agreed.
- The Principal had discussed the use of local contractors at both the CLQ Programme Board and the Anchor Group meeting. Use of all contractors was subject to satisfactory performance.
- The staff survey data had been reviewed. There had been a presentational error but none of the analysis in the report was affected.

27/24 CHAIR'S ACTIONS (ITEM 4)

None.

28/24 CORRESPONDANCE (ITEM 5)

The following item of correspondence had been received and circulated to Governors ahead of the meeting:

- Letter from Minister Halfon dated 16 November 2023.

This had been provided for information. It was a general letter to the sector following concerns about anti-semitic and anti-Muslim behaviour due to the escalation of the war in Gaza.

29/24 STRATEGY (ITEM 6)

Property, Rail and CLQ

It was noted that the last CTOG meeting had been cancelled so a fuller update would be provided for this meeting.

ATAC

- West Midlands Mayor Andy Street had visited the site in the previous week.
- Good progress was being made and the project was progressing to time and budget.

The Chair asked if there had been any feedback from local residents. The Deputy Chief Executive responded that there had been nothing in writing.

(Dionne Barrett arrived at 5.55pm)

CLQ

- Completion was expected in September 2025
- McLaughlin and Harvey had commenced on site works although the Development Agreement and some other legal documents were still outstanding. The effective start date had been 11 October 2023.
- The mechanical and electrical contractor had been changed.
- Media and PR releases were noted.
- Social value targets for both CLQ and ATAC had been agreed with the contractors. These have included careers talks for students and opportunities for Construction students to be involved in elements of the project.

Paget Road

- The college was engaging with the Council to look at options for disposing of Paget Road.

Newhampton Arts Centre

- The disposal of Newhampton Arts Centre was also being discussed with the Council. Potential proceeds were earmarked towards the costs of CLQ.

Rail

- Progress in relation to the acquisition of sites in Coventry and Aston was explained.
- Legal aspects were still being completed and no formal agreements had been signed.
- Work continued with NIS, the rail delivery partner.

Comments and questions were invited.

A Governor noted a discussion earlier with the Chair, Vice Chairs and Principal regarding the lease of the site in Aston. WMCA had not provided a multi-year funding agreement so the Principal had been asked to formally write to request this, and if it was not possible, to ask for some guarantees over funding in the event that the skills strategy were to change and the college had liability for lease costs but had ceased delivery in Aston. The current lease proposal, as highlighted to the Rail Task and Finish Group, had been for six years with an option for this to continue on a rolling month basis for a further seven months to July 2030. The views of the landlord on an early break clause would also be confirmed. The Principal would circulate the written responses to the Task and Finish Group.

There was a discussion about the need for the Board to be generally sighted on issues in relation to the Rail delivery and an acknowledgment of the recent work to complete the legal and financial aspects. Further information would be brought back as and when approvals were needed.

KPI Update

The Deputy Principal confirmed that the KPIs for 2023/24 were being reviewed and those for 2022/23 were to be approved.

The Deputy Chief Executive commented on a query on long term sickness absence raised by a Governor in advance of the meeting. No particular trend had been identified from analysis completed by HR.

It was agreed that the KPIs would be RAG rated for 2023/24.

Governors noted the report.

30/24 COLLEGE UPDATE (ITEM 6)

Student Engagement

Student Union Annual Report and Accounts

The Head of Student Entitlement presented the report, which covered the following:

- 1400 students engaged with the induction and settling in activities.
- Course reps had been appointed.
- Various events and fundraising activities had taken place.
- Cultural days held had been particularly successful and would be repeated this year.
- Many students had benefitted from the enrichment activities that had taken place.
- A Learner Voice Conference, themed around 'Shaping the College', had taken place in June 2023.
- A new President and Deputy Presidents had been elected for 2023/24.
- The finances of the SU were as presented in the written report. There were modest reserves.

The Chair commented that the report showed a range of excellent activities taking place.

The Student Governor explained some changes to SU roles since the elections. He was now sharing the President role with another student.

(The Head of Student Entitlement left at 6.20pm)

There was a five minute break.

Bilston Town Football Club

The Principal outlined two projects that the college was working on with the club – to be a potential sponsor and to prepare a joint bid for up to £300k through the inclusive communities funding. The sponsorship activity was potentially for next year but the funding bid needed to be submitted before Christmas.

The rationale for working with the club, as a key part of the local Bilston community, was noted. There were links to the Commonwealth legacy and to available WMCA funding.

Governors were asked to endorse the approach to working in partnership with the club.

The Chair commented that the partnership had a clear social value and was happy to endorse the approach. Other Governors agreed.

Student Success

College Self-Assessment Report (SAR)

The Deputy Principal confirmed that the SAR process had been completed and that the overall grading was 'Good'. All of the individual areas were also 'Good', except for Apprenticeships. This remained 'Requires Improvement' as although there was progress being seen, there was insufficient evidence to grade as good currently.

The SAR was fully aligned to the Ofsted judgement areas and was written in the Ofsted reporting style.

All curriculum areas had been robustly reviewed through validation meetings.

An Executive Summary and Quality Improvement Plan would be prepared for the next Board meeting.

Approval for the SAR was sought.

Resolved: that the Board approved the SAR for 2022/23.

Student Destinations

The Assistant Principal (Mike Dixon) presented the headline figures. Data was collected three times per year, to show intended, actual and sustained destinations.

97.9% of students in 2022/23 had actual destinations recorded. Of these, 90% were positive, a 2% increase on the previous year.

Neutral destinations, such as gap years or caring responsibilities were also recorded.

Variations in destination data between 16-18 and adult students were noted.

Governors commented that destinations were a useful success measure for the college and welcomed the data. A Governor asked if more detail could be provided for vulnerable groups. The Assistant Principal confirmed that all of this data was held and available to staff. A summary would be provided for Governors. Action: Assistant Principal.

The Chair asked if destinations data was published and available for other colleges. The Deputy Principal confirmed not. However, positive destinations was sometimes used as a success measure for funded projects.

People Engagement

Workforce Development Update

The college had a Workforce Development Strategy with four strategic themes:

1. Right People, Right Role
2. Recruiting and Retaining
3. Reward and Recognition
4. Engagement

The first of a new series of welcome meetings with new starters had been held earlier in the day. All of EMT had been involved.

The report gave updates on a number of areas, including:

- Taking Teaching Further
- A project on a Racial Equality project with College West Midlands and
- ETF training available.

Gender Pay Gap Report

A summary had been provided in the College Report, with the full report included as an appendix. The reporting date was 31 March 2023 at which point there had been 515 employees.

The median gap was 25%, compared to the UK gap of 14.3% and an education sector gap of 22.5%.

The mean gap was 17.2%, which was broadly in line with the UK.

Gaps were largely explained by more females being in junior and part time roles. Six actions had been agreed to close the gaps, including more diversity in recruitment, reviewing progression and collaborating with College West Midlands to create pathways for progression and promotion.

Governors commented that the report was insightful and that the proposed actions appeared appropriate. There was a discussion about how this was shared across the college to improve awareness and drive change.

Pay Award

The Deputy Chief Executive noted that colleges had been allocated additional funding for a pay award and that the proposal was 6.5% for all staff with effect from 1 February 2024. The total cost of this was noted.

Benchmarking data that had been published by UCU showed that the majority of other FE colleges were making similar pay awards.

Resolved: that the Board approved the proposed pay award of 6.5% for all staff with effect from 1 February 2024.

Business Success

Management Accounts – October 2023

The Interim Director of Finance presented the report and highlighted key points including variances in relation to income and pay and non-pay budgets.

Governors noted the following:

- The figures related to the first quarter of the financial year.
- There was a deficit of £177k for the year to date compared to a budgeted surplus of £75k. The underlying reason was that the take up for AEB was behind profile. This was expected to recover by year-end.
- There had been savings on the pay budget to October and emerging figures indicated that this had continued into November.
- There had been savings on overhead costs, although some were due to seasonal factors.
- Apprenticeships, HE and Advanced Learner Loans income were all behind profile.
- Additional funding had been received to support the planned pay award.
- A financial re-forecast was in progress and expected to be completed before Christmas.
- A graph showing the cash position was noted.
- The financial health score at 31 July 2023 was 210 points, which was comfortably within the range for 'Good'. It was currently 'Requires Improvement' due to the EBITDA calculation, but expected to be 'Good' again by year-end.

Questions and comments were invited.

A Governor noted the Financial Notice to Improve that had been in place since June 2012. It was hoped that recent improvements that were being seen would lead to this being lifted. The Deputy Chief Executive agreed, but the timing was to be determined by ESFA.

The Board of Governors received the Management Accounts to October 2023.

Partnerships Update

The Deputy Chief Executive commented on the following:

- The report showed the final partner performance for 2022/23.
- The final outturn showed actual income slightly above budget. This resulted from having worked with the partners to maximise the opportunities for growth, particularly in rail.
- Approval was sought for an increase in contract value for FMBS.

Resolved: that the Board approved the increased contract value for FMBS as set out in the written report.

Data Protection Annual Report

The report confirmed that the college continued to meet all statutory requirements and that the track record was very good. There had been three minor data breaches and a small number of Subject Access Requests and Freedom of Information requests.

A Governor commented that the number of requests and incidents dealt with at the college was small relative to those now being received by local authorities, which was pleasing given the time necessary to deal with them appropriately.

The Chair asked about current cyber security threats. The Deputy Chief Executive confirmed that management of this was a high priority, that the staff were aware of issues and that there was investment in resources for this.

Board Assurance Update and Risk Management

The Deputy Chief Executive confirmed that risk management was regularly reviewed by the Audit Committee and that this was the annual report for the Board.

The Risk Management Policy had been reviewed and was deemed fit for purpose. The role of the Governors was explained, including in setting the risk appetite for the college.

An internal audit had been completed on Risk Mitigating Controls in 2022/23. This had given substantial assurance over the adequacy and effectiveness of controls.

There were 44 risks currently on the college risk register. The scoring of these had been discussed with the Audit Committee. A summary of the highest rated risks had been included in the College Report for Governors to note. These had reduced from 16 to 12, largely due to progress made in the CLQ project and the debt re-financing in July 2023.

It was confirmed that the college focus was on mitigating risks wherever possible. They were regularly discussed with SMT.

31/24 GOVERNANCE UPDATES (ITEM 9)

The Head of Governance commented on three items that had been discussed at the recent Search and Governance Committee and which had been recommended for Board approval. These related to:

- Standing Orders – which had been updated for changes in staff and to ensure compliance with the Managing Public Money Regulations, which applied to the college since re-classification as public sector from November 2022.
- Conflicts of Interest Policy – which had been due for review but not substantially changed; and
- Governance Self-Assessment Report, which was rated as ‘Good’ based on the information received and reviewed by the committee.

Resolved: that the Board approved the Standing Orders, Conflict of Interests Policy and Governance Self-Assessment.

32/24 COMMITTEE REPORTS (ITEM 10)

The minutes of the following recent meetings had been circulated:

- Campus Transformation Oversight Group 13 November 2023.
- Search and Governance Committee 20 November 2023

There had also been meetings of the Audit Committee and Apprenticeships Task and Finish Group in the previous week, minutes of which would be circulated for the next Board meeting.

The Board of Governors received the committee reports.

33/24 ANY OTHER BUSINESS (ITEM 11)

The Deputy Principal noted that the college was expected to feature on the Midlands news today. A link would be sent to Governors. Action: Deputy Principal.

34/24 CONFIDENTIALITY (ITEM 12)

It was resolved that the following reports would remain confidential:

- Rail, Property and CLQ Update

35/24 DATE AND TIME OF NEXT MEETING (ITEM 10)

Board of Governors – Monday 29 January 2024 at 5pm on Teams

The meeting ended at 7.30pm.