

**St Helens College**

**GOVERNING BOARD**

**Minutes of the meeting held at the Town Centre Campus, St Helens  
Thursday 8 December 2022 at 3.30pm**

<b>Present:</b>	Bill Nixon (Chair)	External Governor
	Debbie Calderbank	External Governor (via Microsoft Teams)
	Alison Cannon	External Governor
	Zulakha Desai	External Governor
	Phil Han	External Governor
	John Heritage	External Governor
	Julie Heap	Staff Governor
	Adam Humphreys	Student Governor
	Andrew Lang	External Governor
	Kellie McCann	Student Governor
	Jen McGill	Staff Governor
	Alun Owen	External Governor
	Simon Pierce	Chief Executive/Principal
	Jim Pinsent	External Governor
	Nick Shore	External Governor
	Tracey Turner	Staff Governor
<b>In attendance:</b>	Rav Garcha	Chief Financial Officer (via Microsoft Teams)
	Mark Doyle	Deputy Principal - Curriculum and Quality(via Microsoft Teams)
	Gillian Hayhurst	Governance Director (minutes)
	Karen Musgrave	RSM (via Microsoft Teams)

**The meeting opened at 3.32pm.**

**78 Apologies for absence**

Apologies for absence were received from Liz Duncan and David Balsamo.

The Chair welcomed the new staff and student governors to the board.

On behalf of the Corporation, the Chair thanked Julie Heap for her valuable input during her time as staff governor.

## 79 Declarations of interest

All staff for minute 87. Gillian Hayhurst for minute 95.

It was noted that Adam Humphreys may not cast a vote for items within the financial and estates update (minute 86) and the 2022/23 pay proposal (minute 87) under paragraph 13.7 of the Instrument of Government.

## 80 Minutes of the previous meetings

The minutes of the meeting held on 6 October 2022 were approved as an accurate record, subject to the inclusion of Alison Cannon within the list of attendees.

## 81 Matters arising and action tracker

With regard to GB21, the board was informed that the internal audit plan is aligned to the corporate risks affecting the College. The internal audit team present the plan to the Audit Committee for review and consideration. The plan, presented by ICCA to the Audit Committee is aligned to the risk register. The action will be marked as complete.

Regarding action GB25, a plan to address forecasting issues had originally been included within the draft Quality Improvement Plan but later removed following feedback from the Curriculum and Quality Committee. A separate plan will be developed and presented to the Governing Board at its meeting on 12 January 2023.

## 82 Financial statements and external audit report

The report presented the financial statements and regularity questionnaire for approval. The external audit report, produced by RSM, and the Audit Committee Annual Report were also provided. The board of Waterside Training Limited approved its financial statements on 6 December 2022.

Confirmation had been received from Mazars that there were no issues arising from the Education and Skills Funding Agency (ESFA) funding audit that would impact on RSM's external audit report. All external audit work has been completed since the presentation of the report to the Audit Committee. A post-balance sheet event note has been added regarding the lease at Stockbridge Lane.

A discussion was held on the pension triennial revaluation and the impact that it may have on the accounts. It was noted that the accounting treatment for pensions does not result in actual changes to the College's cash position.

The board queried what impact the Office for National Statistics (ONS) reclassification of Further Education Colleges would have on the accounts. Following an initial review, there were no immediate impacts on the College nor the signing of the 2021/22 financial statements.

**RESOLVED:**      **The Governing Board approved the signing of the annual report and financial statements, as recommended by the Audit Committee.**

**The Governing Board approved the signing of the Letter of Representation and Regularity Letter of Representation, as recommended by the Audit Committee.**

**The Governing Board approved the Regularity and Propriety questionnaire for signature, as recommended by the Audit Committee.**

**The Governing Board accepted the annual report of the Audit Committee.**

**The Governing Board noted the external audit report for the year ending 31 July 2022.**

**Karen Musgrave left the meeting.**

**83 Verbal report of safeguarding and health and safety governors**

**RESOLVED: The Governing Board noted there were no further updates from link governors.**

**84 Self-Assessment Report and Quality Improvement Plan**

The Self-Assessment Report (SAR) and Quality Improvement Plan were presented for consideration following the annual review process. Senior leaders thanked governors for their input into the draft documents. The personal development section had been strengthened since the Curriculum and Quality Committee meeting.

The Governing Board requested that the introductory statement be amended to match the financial statements as the current wording incorrectly states that St Helens College was incorporated at the point of merger with Knowsley Community College.

The Governing Board queried the financial impact of lower retention rates and was informed that a retention factor has been built into the financial plans. The current enrolment figures for 2022/23 shows an increase of 190 16-18 students, which will result in increased funding for the next academic year. The fall in retention levels has been mostly linked to individuals leaving the College to seek work due to the economic climate.

A query was raised on the percentage of students receiving high pass grades for English and Maths as this appeared low. Further Education colleges primarily provide English and Maths resits for students who did not achieve passes at school. For future SARs, it may be more appropriate to measure a student's progress in these subjects, rather than achievement rates, as this will provide a comprehensive attainment picture. This has not been possible for the past two years due to the application of teacher-assessed and centre-assessed grades during the pandemic.

A discussion was held on the SAR rating of 'Good' as the retention and achievement rate data within the report is lower than the national average. The Governing Board noted

that the last validated benchmarking data was pre-pandemic and not truly reflective of sector averages since the reintroduction of traditional assessments, however MIDES data does appear to show that the College is falling behind other providers for both retention and pass rates. The next set of validated data will be published in March 2023. While achievement rates are an important measure of success, the SAR is based on holistic positive impacts on students. Other measures, such as internal progression and positive destinations, as well as qualitative examples of positive impacts are included throughout the report as evidence of the College's 'Good' SAR rating.

The Governing Board considered whether any of the areas for improvement highlighted within the report would be justification for a 'Requires Improvement' SAR grade. Clear actions are included within the QIP to address improvements and progress year-to-date has already been reported to governors. It was concluded that the improvements required would not be defined as serious enough to warrant a lower SAR grade.

**RESOLVED: The board approved the self-assessment report subject to the agreed amendment.**

**The board approved the quality improvement plan.**

## **85 Performance and compliance report**

This report provided the final set of key performance indicators (KPIs) and potential targets for approval as part of the agreed approach to assurance reporting. The Governing Board was also presented with the compliance report, along with an update of progress against the College's Operational Plan 2022/23.

It was noted that spark lines and charts will be added as the trend data emerges. The KPIs focus on high-level monitoring by the board with more detailed analytics considered by committees.

Since the report was issued, attendance rates have improved by 0.5%. Attendance Officers are in place to actively manage absence. The Governing Board was informed that schools in the area have a persistent absence rate of 13-14% so, while the College is below its target, attendance rates for individuals often improve compared to their attendance at secondary school. The College is working on improved data sharing protocols with local schools to identify students with historical poor attendance and provide early intervention, however data protection regulations are a barrier to this.

The board queried whether there is any benchmarking data that could be included within the performance report, particularly regarding the 'People' metrics. While student satisfaction is benchmarked, sector-wide data is not gathered on staffing issues. The QDP student satisfaction survey is not mandatory and contains data primarily from Ofsted 'Good' and 'Outstanding' colleges, which is not a like-for-like comparison. There is no national attendance data for Further Education colleges and the anecdotal feedback often focuses on positive positions.

The Governing Board queried what actions were being prioritised now that staffing levels are affecting the overall delivery of the operational plan. Teaching, learning, curriculum development and growth are the main priorities for staff currently. Interviews are being

held for the Director of Human Resources and Organisational Development this week, which should result in more rapid progress against the 'People' actions. The Governing Board acknowledged the negative impact that delivering the current plan with less staff will have on individuals and requested that the Chief Executive Officer/Principal present a revised, condensed and achievable plan at the next meeting in January 2023. Verbal updates will be given on the performance and compliance elements of the report in January 2023 as the College is closed for several weeks of the reporting period for the Christmas break.

**Zulakha Desai joined the meeting.**

The Governing Board suggested that the purple dots within the operational plan are made more prominent to celebrate completed actions.

With regard to the proposal to delay the rebrand, the Governing Board was informed that recent discussions with Knowsley Council highlighted the need to prioritise stakeholder relationships in the borough. The College does not currently have the capacity to deliver a rebrand and do not wish to engage with consultants due to the cost implications. A discussion was held on whether to merge the names of the two colleges as a starting point, but it was noted even this change will have significant resource implications.

**Mark Doyle left the meeting for a short period.**

**RESOLVED:**     **The Governing Board approved the high-level key performance indicators and targets for 2022/23 and noted current performance against these.**

**The Governing Board noted progress against the College's Operational Plan, 2022/23.**

**The Governing Board noted the compliance report.**

**86     Financial and estates update**

The report provided a summary of current financial, and estates matters for information together with a request for an additional £305k capital expenditure.

The R04 data return has been submitted with higher 16-18 numbers than anticipated.

Since the report was written, the Department for Education has provided capital grant allocations to all colleges, with St Helens College receiving approximately £275,000, as a result of the ONS reclassification. Additional grant funding may be allocated in spring 2023. The College awaits the grant funding letter, however initial engagement suggests the funds must be used on improving energy efficiencies and other items of priority.

The Governing Board discussed the ONS reclassification and the impact that it will have on the sale of the College's assets. All cash receipts from these sales will need to be reinvested in assets and is now subject to the Managing Public Money framework.

In response to a query on cashflows, the Governing Board was informed that a prudent approach has been taken with the forecast and that this will be updated using the data within the R04 return.

**Julie Heap left the meeting for a short period.**

The Governing Board was informed that ESFA funding payment profiles are changing, which should have a positive impact on cash flows and reduce the risk of low cash months in February and March. The next cash flow forecast will be updated to include this change, the additional capital grant funding, modelling of pay awards above the budgeted 2% and the reintroduction of the development of the T6 building.

**Debbie Calderbank left the meeting.**

The board queried whether the predicted 'Good' financial health score is due to the accounting treatment of the Stockbridge Lane lease and whether the increase in energy costs will have a negative impact. The predicted score is due to the accounting treatment as well as cost savings due to existing vacancies, although the rating may be impacted by the pay award. Additional grant funding is helping to manage the increased energy costs.

Regarding the T-level Wave 5 bid, the Governing Board acknowledged changes in the operating environment since original approvals were granted and requested that an update be provided to the January 2023. The update should consider the College's financial forecast, the impact of the ONS reclassification and whether inflation has impacted on the original design.

**RESOLVED: The Governing Board noted the financial and estates update report.**

**The Governing Board approved additional capital expenditure amounting to £305k.**

**87 2022/23 pay proposal**

The report set out the context and options for a cost of living pay award in 2022/23.

The Governing Board was given an update on discussions with the ESFA regarding pay award proposals. Given the Post-Intervention Monitoring Support (PIMS) plan, it is important that the College discusses any financial decisions that could impact on the agreed conditions being achieved. The ONS reclassification may also have implications on the restructuring grant funding and the College's ability to reinvest income from the sale of assets.

**Alison Cannon and Julie Heap left the meeting for a short period.**

The discussion explored the expectation of staff and unions in the sector around the pay award. Local colleges have made significant pay offers that St Helens College is unable to match. This widens the recruitment and retention risk. It was noted that any pay award

would not address resourcing challenges within teams and therefore investment in both new and existing staff is required.

Significant changes had occurred since the report was written that will impact on cash flow, which meant that the Governing Board was no longer in a position to make a decision about the whole pay award. The Governing Board therefore decided to consider the non-consolidated element for a December 2022 payment and agree consolidated increases at its meeting on 12 January 2023, with any awards being backdated to the start of January 2023.

The Governing Board requested that the revised modelling, to be presented in January 2023, considers a pay award greater than that included within the report presented at this meeting. The proposals should also include any additional staff not already allowed for within the approved budget, particularly where there are opportunities for further growth. It was confirmed that the pay award modelling also includes increases for those posts already agreed within the budget but not yet filled.

Regarding the non-consolidated element, the Governing Board queried why the recommendation within the report does not align with the Association of Colleges' (AOC). Since the AOC's recommendation, minimum wages increases have been applied from April 2023 and this will result in an 8-9% pay increase for those who are at the lower end of the salary scales.

Senior leaders have a meeting with the trade unions during the week beginning 12 December 2022. Governors were reminded that the unions do not need to accept any awards offered and may wish to ballot their members. This could impact on when pay awards can be processed by the Payroll Team. The Governing Board is committed to agreeing a medium and long-term pay strategy.

A query was raised regarding the non-consolidated element of the pay award and whether this could be considered a gift or the decision delayed for the whole award package to be presented in January 2023. Due to its financial position and negotiating powers with the union, the College needs the non-consolidated element to be recognised as part of the whole pay award. Members of the Performance and Remuneration Committee reiterated the importance of not delaying a decision on the non-consolidated element as a payment before Christmas will be more beneficial to individuals who are worried about their finances.

**RESOLVED: The board noted the current context for making a cost of living pay award and the rationale for awarding a pay rise above that agreed in the original College budget for 2022/23.**

**The board approved, in principle, for senior leaders to discuss a pay award package with trade unions.**

**The board approved non-consolidated payment of £500 to be made in the December 2022 pay run for all staff.**

**The board approved non-consolidated payment of £500 to be made in the December 2022 pay run for Senior Post Holders.**

The board resolved to consider a consolidated pay award at its meeting in January 2023.

**88**     **Remuneration Committee annual report**

The report presented the annual Remuneration Report (Appendix 1) in line with the requirements of the College's adopted code of governance.

**RESOLVED:**     **The board accepted the annual report of the Remuneration Committee and noted that it will be published on the College's website.**

**89**     **Compliance with the code of governance**

The Governing Board was presented with the draft self-assessment of the College's compliance with its adopted code of governance.

The Governing Board were informed that the Association of Colleges are reviewing the code of governance with a view to publishing a new code during summer 2023.

**RESOLVED:**     **The board approved the annual self-assessment against the Association of College's Code of Governance 2019.**

**The Governing Board delegated the detailed annual review of compliance against the code of governance to the Search and Governance Committee. The committee will recommend to the board a statement for inclusion within the annual report and an action plan to address any weaknesses. The terms of reference will be updated to reflect this delegation.**

**90**     **External governance review action plan**

The report presented the action plan for consideration following the external governance review undertaken by Stone King LLP.

Governors confirmed that the draft action plan reflected the discussions of the working group.

**RESOLVED:**     **The board approved the governance action plan.**

**91**     **Risk management update**

The report provided an update regarding movement in risk.

**RESOLVED:**     **The Governing Board approved the corporate risk register.**

**92**     **Policy updates**

The Health and Safety Policy has been reviewed and appraised by the Finance, Resources and Commercial Committee (FRC) and was recommended for approval.

The Safeguarding and Prevent policies were reviewed by the Curriculum and Quality Committee and were presented for approval.

Waterside Training Limited's board approved its Health and Safety Policy on 6 December 2022.

The Governing Board noted that the Freedom of Speech in Higher Education Bill is receiving its third reading in the House of Lords and the Higher Education Committee will consider any required updates to College policy.

**RESOLVED: The Governing Board approved the Health and Safety Policy.**

**The Governing Board approved the Safeguarding Policy.**

**The Governing Board approved the Prevent Policy.**

**93 Minutes of committees, verbal updates from committee chairs and matters for escalation from committees**

Most of the issues that have come up at committees has been added to the board.

**RESOLVED: The Governing Board noted that there were no additional items to raise.**

**94 Any other business**

The Office for Students (OfS) has published its Teaching Education Framework (TEF) for 2022/23. The College is not submitting for the TEF as it does not meet the minimum criteria. The OfS has published some data that the College may use for comparison purposes. This will be addressed when the new Higher Education Quality Manager is appointed.

**Julie Heap, Rav Garcha, Mark Doyle, Tracey Turner, Jen McGill, Adam Humphreys and Kellie McCann left the meeting.**

**95 P&C Senior Staffing update**

The Governing Board held a discussion on senior staffing. A private and confidential minute may be requested from the Governance Director.

**Date and time of the next meeting**

The next meeting of the Governing Board will be held on Thursday 12 January 2022 at 4.00pm.

**The meeting closed at 6.14pm.**