LONDON SOUTH EAST COLLEGES

**Minutes of a Meeting of LSEC Corporation**
**held on Wednesday 8th December 2021 from 6.00-8.00pm**
**online via zoom**

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| **Corporation Members** | |
| Stephen Howlett, CBE DL (SH) | Chair |
| David Eastgate (DE) | Vice Chair |
| Dr Sam Parrett, CBE (SP) | Group Principal & CEO |
| Jane Hobson, OBE (JHo) | Governor |
| Christopher Briggs (CB) | Governor |
| Mark Trinick (MT) | Governor |
| Louise Nadal (LN) | Governor |
| Olivia John (OJ) | Governor |
| Allan Carey (AC) | Governor |
| Lucie Allen (LA) | Governor |
| Chinyama Okunuga (CO) | Governor |
| David Bailey (DB) | Governor |
| Lucy Butler (LB) | Governor |
| Joanne Bell (JB) | Governor |
| Barry Spencer (BS) | Staff Governor |
| TBC | Student Council Representative |
| **Clerk to the Board** | |
| Jennifer Pharo (JP) | Group Executive Director Governance |

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| **Executive Officers in attendance** | |
| John Hunt (JHu) | Group CFO & Deputy CEO Trust |
| David Lambert (DL) | Deputy CEO & Principal |

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| **Officers in attendance for specific items** | |
| Beth Moore | Group Head Safeguarding (Item C4) 7.55pm |
| Janet Curtis Broni | Group Chief People Officer (Item C5) 8.00pm |
| Louse Wolsey | Group Chief Transformation Officer (Item B3) 7.20pm |
| Andy Simpson | Group Director Estates (Item C2) 7.40pm |

**Welcome, apologies and declarations of interest.** **Chair: Stephen Howlett, CBE, DL**

The Chair welcomed Joanne Bell, David Bailey and Lucy Butler as new members of the LSEC Corporation

**Chairs' Summaries**

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| LSEC Curriculum & Standards | Governor-MT |
| Group Audit & Risk | Governors-DE/OJ |
| Group Finance | Governor-AC |

The Committee Chairs Summaries were presented and included a brief update to the Board on the items RECOMMENDED by these Committees.

| **Approval and decision items** | |
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| **A1** | **Previous Meeting Minutes & Action Log** |
| | The Minutes of the previous meeting were **APPROVED**. |
| **A2** | **Governance Matters** |
| | The Board were asked to **APPROVE** the appointment of a new Chair and Vice Chair following the expression of interest process and the previously reported resignation of Stephen Howlett, CBE DL as associated changes to Chair of Group Committees.<br><br>The Board were also asked to **APPROVE** the appointment of new Governor Joanne Bell. |
| | The Board **RESOLVED** to appoint David Eastgate as Chair to the Corporation and Louise Nadal as Vice Chair, with effect from 4 January 2022.<br><br>The Board **RESOLVED** to appoint Joanne Bell as a Governor of the LSEC Corporation.<br><br>The Board **APPROVED** the change of membership to Group Committees as presented by the Group Executive Director Governance and to **RECOMMEND** the appointment of Stephen Howlett as the Chair to Group Remuneration Committee and Governance & Search Committee. |
| **A3** | **Policy Updates** |
| | The Board was asked to **APPROVE** the Admissions Policy Executive Summary:<br><br>It was reported that the Admission policy had been reviewed and some very minor changes made, these were largely minor changes to wording, housekeeping and job titles throughout the document which were just tidying and don't impact the overall policy.<br><br>It was also reported that whilst not explicitly covered in the admissions policy, the other piece of work being undertaken was a full review of the applications and enrolment system with the |

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| | intention of developing a hybrid model for enrolment next year which will improve the experience both online and in person.<br><br>The Board were advised that this will involve some changes to the curriculum engagement sessions to ensure a more standardised approach and more corporate set of central communications. It was also intended that a new College App is in place for September 2022 in readiness for the new learner intake and to help with the communications and onboarding process. |
| | The Board noted the report and changes to the Admission Policy and new enrolment system. The Board **APPROVED** the policy. . |
| **A4** | **Academic Performance 2020/21** |
| | The Board was asked to Approve the College Self-Assessment report and Quality Improvement plan.<br><br>The Board received the full version of the London South East Colleges (LSEC) self-assessment report (SAR) and Quality Improvement plan.<br><br>It was reported that the draft report and plans had been previously presented to the Curriculum & Standards Committee for review and comment and were presented to the Board for final approval.<br><br>The Board were advised that whilst the last academic year was very different due to the Covid-19 pandemic, the College had maintained the processes to produce an accurate self-assessment, with curriculum managers and teams involved in the process.<br><br>It was reported that the College remains an organisation which understands well its strengths and weaknesses and as such the self-assessment presented was put forward as an accurate assessment. The grade profile presented in the Self- Assessment report continues to judge the College as being overall Good. With Good judgements against the four main Ofsted themes.<br><br>The Board were advised that at a curriculum area level, the College understood itself well and the self-assessment contains an accurate grading of the curriculum areas. The Board were advised that it should be remembered that the self-assessment report is an externally facing document and following Board approval there is a requirement to upload the self-assessment report to the Ofsted portal. |
| | Following some discussion the Board APPROVED the SAR. The Board particularly commented on how Ofsted would view the report. Board was also pleased to see the link to social value and the Group Strategy. |
| | The Board was asked to approve the HE SAR<br>The Self-Assessment Report was reviewed and discussed at the LSEC Curriclum & Standards Committee where the focus, scrutiny and challenge by the Committee was directed at student satisfaction, achievement and progression. Evidence to support these areas of focus were provided to support the outcomes and progress reported. |

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| | It was acknowledged that the Self-Assessment Report reflects the holistic approach to student experience, capturing the student voice as evidenced with the excellent and improved NSS results in 2020/21.<br><br>It was reported that the Self-Assessment Report also introduces and includes a positive place for research, an aspirational development that will enhance all provision.<br><br>The Self-Assessment Report reflects LSEC's partnership working with HEIs and provides evidence where this broadens and enhances our offer.<br><br>Areas for improvement provide clear guidance as to how the provision can be improved, these include progression outcomes and alumni engagement.<br><br>The Governors are pleased to endorse and approve the Self-Assessment Report as a true and accurate reflection of progress, achievement and student experience. |
| | The Board **APPROVED** the SAR as presented and expressed thanks to the Lead HE Governor LN on her valuable input and oversight of this report. |
| **A5** | **2020/21 Financial Statements** |
| | The Corporation was asked to:-<br>a) Note the content of the report and financial statements<br>b) **Approve** the 2020/21 Financial Statements on the going concern basis<br>c) **Approve** the letter of representations for signing<br>d) **Approve** the Regularity Self-Assessment Questionnaire for signing. |
| | **2020/21 Financial Statement** |
| | The Board received the Financial Statements for the year ended 31 July 2021 which had been considered by the Audit Committee and had been recommended to the Corporation for **APPROVAL**.<br><br>It was reported that the Financial Statements show an operating deficit for the year of £0.71m after the transfer of LSfG was treated as an acquisition.<br><br>It was reported that this was consistent with that reported to the Corporation in the Management Accounts and includes Local Government Pension Scheme (LGPS) charges of £3.35m in accordance with the requirements of Financial Reporting Standard (FRS) 102. The total comprehensive income for the year of £4.6m was mainly attributable to the Actuarial gain of £5.29m in respect of the Local Government Pension Scheme (LGPS).<br><br>An analysis of the final forecast outturn for the year and the actual outturn for the was presented in the report provided.<br><br>It was reported that the Financial Statements have been prepared in line with the FE/HE SORP and FRS102 and for 2020/21, the results of the College include those of its subsidiary LSfG, as the operations of the charity were transferred to the College on 1 January 2021.<br><br>In terms of income and expenditure, it was reported that excluding the value of the assets transferred from London Skills for Growth (LSfG), the deficit on continuing operations prior to the actuarial gain in respect of the Local Government Pension Scheme (LGPS) was £0.46m better than the period 9 forecast outturn for the year. In respect of pay costs it was reported that these were £493k lower than forecast. This mainly related to a decrease in Management |

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| | and support staffing costs with non-pay costs a total of £1.64m lower than forecast, mainly due to savings of £486k in teaching. The depreciation charge for the year was reported at £134k lower than forecast. This reflects the charge for assets capitalised in year.<br><br>It was reported that the Balance Sheet at 31 July 2021 showed net assets including the College's share of the LGPS liability increased by £4.59m from £3.62m to £8.21m. This increase was mainly attributable to an actuarial gain as calculated by the Actuary together with an improvement in net current assets.<br><br>It was reported that net current assets which include non-cash deferred capital grants due to be released in less than one year increased from £2.20m in 2019/20 to £6.17m. This favourable shift is due to improved cash balances as a result of the better than forecast operating position and delayed capital expenditure.<br><br>The Board were advised that in relation to cash flow the consolidated cash inflow from operating activities was an inflow of £7.25m compared to an inflow of £6.60m in the previous year.<br><br>The net increase of £0.65m is mainly attributable to net changes to debtors, creditors, and the decreased in year deficit. The consolidated net cash outflows from investing activities increased by £1.55m to £1.57k. This increase mainly relates to the £0.92m proceeds from the sale of the LSfG Bexleyheath site and £1m of LATC costs expended in 2019/20, which were netted off against the cash outflows. There were no proceeds from sale of assets in 2020/21.<br><br>It was reported that net debt servicing cash outflows of £0.63m relate to the interest and repayment profiles of the term loan with Barclays and Exceptional Financial Support (EFS) Loan.<br><br>It was reported that the net effect of all of the above was an increase in bank and cash balances of £5.04m during the year. Bank and Group cash balances at 31 July 2021 were £18.29m (31/07/20: £13.25m).<br><br>The Board we advised that in relation to related party transactions there were two organisations this applied, the Trust and VLE Support.<br><br>The Board were advised that the Financial Statements have been prepared on the assumption that the College will continue as a going concern, based on the following<br><br>• As at 31 July 2021 the Group held £18.29m of cash and short-term deposits (2019/20: £13.25m) and invested £1.58m in buildings and equipment during the year. Loan finance decreased from £8.7m to £8.1m at the end of the year.<br>• The majority of the income streams for the year ahead are derived from grant funding and are largely secured. These include ESFA funding grants, together with tuition fees paid by learners.<br>• The consolidated results for the Group show a deficit for the year of £1.38m (2019/20: £2.53m) and the financial heath score for the year is self-assessed at Outstanding (2019/20: Good).<br>• The Group liquidity ended the year in a strong position with cash balances of £18.29m (2019/20: £13.25m). The increase in year is as a result of the improved operating position, and delay in capital expenditure. The Group was forecast to have a steady underlying cash flow balance each year, and in the short term this will be supported by the timing of cashflows in respect of the disposal of part of the Plumstead campus, and the net cash flows in respect of the new campus.<br>• The College and Group has sufficient working capital to meet its liabilities as they fall due with a Group current ratio of 1.43. |

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| | • The College forecast Financial Return (CFFR) and related assumptions approved by the Corporation in July 2021 shows that the College is forecasting to achieve and education EBITDA of circa £3.4m in both 2021/22, and 2022/23. There has been no material change to the CFFR assumptions at this time.<br>• The CFFR also includes both planned revenue and capital expenditure and the related cashflow forecast shows that year end cash balances are expected to be circa £20m and £24m, in July 2022, and 2023 respectively.<br>• The CFFR also shows the Financial Health of the College as assessed by the ESFA and FE Commissioner is expected to be Outstanding for both 2021/22 and 2022/23.<br>• Finally, although the College is below some of its enrolment targets in 2021/22, at this time, there are no material changes to the medium-term assumptions documented in the July 2021 CFFR.<br><br>It was reported that as a result of the above considerations, the senior management team were satisfied that the College is considered to be a going concern as at 31 July 2021.<br><br>The Board were advised that the Financial Statements include comments made by the external auditors following completion of their audit fieldwork. |
| | The Board noted the detailed report and APPROVED the Financial Statement on a going concern basis based on the information provided.<br><br>Chair and Board were pleased to see the reported surplus considering the financial difficulties that had presented at merger in 2016. Great achievement by the Executive |
| | **Letter of Representation** |
| | The Corporation was asked to approve the Audit Representations letter which was considered by the Audit Committee in November. This letter sets out the representations the Corporation is making to the Financial Statements regarding a number of key issues relating to their audit work.<br><br>These representations include, but are not limited to, the responsibility to prepare Financial Statements which give a true and fair view, providing unrestricted access to persons within the College in order to obtain audit evidence, the going concern basis upon which the accounts are prepared, use of appropriate accounting policies, awareness of irregularity or fraud, undisclosed liabilities, and suitability of the actuarial pension assumptions for the FRS102 pension disclosure. |
| | The Board **APPROVED** the Letter of Representation and for this to be endorsed by the Chair on the Boards behalf. |
| | **Regularity Self-Assessment** |
| | Finally, the Corporation was asked to approve the Regularity (use of Funds) Self-Assessment Questionnaire for signing. This was required by the external auditors and had been **RECOMMENDED** to the Corporation for signature by the Audit Committee. |
| | The Board **APPROVED** the Regularity Self-Assessment and for this to be endorsed by the Chair on the Boards behalf |
| **A6** | **Post Audit Management Report** |
| | The Committee is asked to consider the Post Audit Management Report prepared by Buzzacott as external auditors. |

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| | The Corporation was asked to consider the Post Audit Management Report prepared by Buzzacott as external auditors.<br><br>The Board were advised that the Post Audit Management Report explained the findings of the external auditors following completion of the audit work for 2020/21, in respect of the consolidated Financial Statements. It also set out some benchmarking data together with an update on recent developments in the sector. T<br><br>he report shows that clean audit opinions will be provided for both the Financial Statements and Regularity (use of funds) audits, one adjusted item for apprenticeship income adjustment raised by the College and one minor audit observation and recommendation regarding fixed assets has been raised. |
| | Board extended appreciation and thanks to the GCFO on the clean audits. |
| **A7.** | **Audit Committee Annual Report** |
| | The Board were asked to **RECEIVE** the Audit & Risk Committee Annual Report, approved by the Audit & Risk Committee on 24th November 2021 and NOTE that the opinion of the Internal Auditors and the LSEEG Audit & Risk Committee was that the College has adequate and effective risk management, controls and governance processes to manage the achievement of the College's objectives.<br><br>The Board was asked to **CONFIRM** that based on the advice of the Audit & Risk Committee and the Accounting Officer, the Board was of the opinion that the College has an adequate and effective framework for governance, risk management and control, and has fulfilled its statutory responsibility for "the effective and efficient use of resources, the solvency of the institution and the body and the safeguarding of their assets".<br><br>Following the presentation of the Internal Auditors Annual Report (Scrutton Bland), to the LSEEG Audit & Risk Committee on 24 November 2021, the LSEEG Audit Committee have approved the Audit & Risk Committee's Annual Report which contains the opinion that 'the College has adequate and effective risk management, controls and governance processes to manage the achievement of the College's objectives'.<br><br>The LSEEG Audit & Risk Committee Annual Report in relation to LSEC was presented and signed by the LSEEG Audit & Risk Committee Chair.<br><br>Based on the advice of the Audit & Risk Committee and the Accounting Officer, the Corporation was asked to confirm that this opinion, which is also stated within the Annual Financial Statements, that the College has an adequate and effective framework for governance, risk management and control, and has such has fulfilled its statutory responsibility for "the effective and efficient use of resources, the solvency of the institution and the body and the safeguarding of their assets". |
| | The Board expressed appreciation on the audit reporting throughout the year, which was deemed impressive.<br><br>Members of Audit & Risk Committee confirmed the thorough detail of Audit reports presented.<br>.<br>The Board **CONFIRMED** the on the basis of the advice received within the Audit & Risk Committee Annual Report and Accounting Office it was of the opinion that the College has |

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| | adequate and effective risk management, controls and governance processes to manage the achievement of the College's objectives. |
| **A8** | **LSFG Update** |
| | The Board was asked to **RESOLVE** and **APPROVE** the conditions and proper use of the London Skills for Growth restricted reserves following the closure of the charity on 31st December 2020 and transfer of assets and liabilities to LSEC.<br><br>The Board are asked to **NOTE** that London Skills for Growth will remain a dormant company.<br><br>The Board were reminded that at the beginning of 2020/21 the College had one trading subsidiary company, London Skills Growth a charitable training provider. London Skills for Growth had faced a challenging financial period in 2019 and 2020, further exasperated by Covid and impact on the national reduction in apprenticeship provision. Doubts on the solvency of the organisation were raised in 2020, which culminated in both the London Skills for Growth Board of Trustees and the College Corporation agreeing to the transfer of the business in whole to the College, as the parent entity. Such transfer was endorsed by the Education Skills Funding Agency.<br><br>In October 2020 the London Skills for Growth Board of Trustees **RESOLVED** that the legal entity should cease trading on 31 December 2020, with the operations, assets and liabilities being transferred to the College on 1 January 2021.<br><br>Transfer agreements were prepared and endorsed by both Boards and the legal transfer effected on 31st December 2020. At this time the London Skills for Growth Board was also reduced and now comprises the following Charity Trustees.<br><br>1. David Eastgate<br>2. Allan Carey<br>3. Dr Sam Parrett, CBE<br>4. John Hunt<br><br>The Board were advised that the financial results of London Skills for Growth for the 5 trading months to 31 December 2020 are consolidated into the College financial statements. The charity made an operating loss of £88k for this period and the assets, liabilities, and reserves transferred to the College at fair value. The 2020/21 financial statements and audited accounts for London Skills for Growth have been prepared for endorsement by the Charity Trustees detailed above, reporting a zero balance.<br><br>It was reported that the consolidated accounts for the College report that net assets following deduction of all liabilities at the end of the trading period in December 2020 were £558k, and after allowing for the notional operating loss for the full year to 31 July 2021, circa £450k will be held as London Skills for Growth restricted funds.<br><br>This restricted fund is still subject to the deduction of dilapidation costs for premises previously rented by London Skills for Growth, with an estimated value following the outstanding dilapidation costs of circa £450k restricted reserves to be held by the College and used in the furtherance of the charitable aims of London Skills for Growth. |

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| | The Board were advised that as a registered charity, regulated by the Charities Commission, any residual funds remaining following the payment of all outstanding liabilities, must be held by the College as restricted funds and used for the furtherance of the charity's objectives. The Board were reminded that the charitable objectives of London Skills for Growth were as detailed below.<br><br>"The objects for which the Charity is established are the advancement of education of members of the public who through their social and economic circumstances are in need and unable to gain employment or who are in employment but require further training to work satisfactorily in this employment, by the provision of training facilities which will enable such persons to acquire and develop vocational skills."<br><br>The Board were advised that in accordance with legal advice received the LSEC Corporation must **RESOLVE** on the proper use of the restricted funds in furtherance of the charitable objects above, with particular reference to the "provision of training facilities" and in consideration that the College itself is a charitable organisation committed to the advancement of education. This represents a very broad statement of use that is not time limited, and that the Corporation were requested to delegate oversight of this fund to the Group Principal & CEO, as the values fall within her delegated financial authority.<br><br>The Board were requested to **RESOLVE** that the Group Principal & CEO, through the delegated authority of the LSEC Financial Regulations, may approve the use of the funds in line with the restricted funds requirements outlined above and to provide details on a regular basis on the use of these funds to the Board.<br><br>The Board were asked to **NOTE** that the company will remain a dormant subsidiary in the event that any future venture within the Group may have a requirement for its use. |
| | The Board **RESOLVED** to **APPROVE** that the Group Principal & CEO, through the delegated authority of the LSEC Financial Regulations, may approve the use of the funds in line with the restricted funds requirements outlined and to provide details on a regular basis on the use of these funds to the Board. |
| **B** | **Discussion items** |
| **B1** | **Group Principal & CEO Update** |
| | The Board was asked to NOTE the Report and Appendices provided.<br><br>This report provided an update and information for London South East Colleges Board members on key issues both strategic and operational matters.<br><br>The report provided information on the strategy development, our corporate recovery plan and policy updates plus funds and bids the College was engaged.<br><br>In addition it outlined the work being under taken across the organisation on EDI and the continued work with BFELG, in particular the development event attended by the Chair and Governor-CY.<br><br>The Board received information on the recruitment of the new College Principal & Chief Learning Officer and recent appointment of Asfa Sohail as a Senior Post Holder. The Board were advised that David Lambert would continue in post until Asfa Sohail arrived when he |

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| | would transfer into the new Group CTIO role. Details of a new Strategic Development Director for the Trust were provided. Kate Shiner has been seconded from the DfE with significant experience and knowledge of the Academisation and the pending White Paper and SEND Review. She will be instrumental in leading Trust Growth.<br><br>Board were advised of the continued success of the GoodforMe:GoodforFE volunteering initiative and the social value this is generating. The Board were advised that a number of national charities were interested, and some form of sponsorship was being discussed.<br><br>A virtual 'Landmark Lecture' on behalf of LSEC had been delivered in November By Lemn Sissy OBE, inspiring staff and students from colleges around the country to get involved in volunteering and community action.<br><br>Board received an update on staffing and resourcing, Great Place to Work Staff Survey and progress on estates and capital projects overview on progress. |
| | The Board extended appreciation and thanks for the Group Principal & CEO for a thorough and detailed report.<br><br>Chair-SH and Governor-CY advised that the BFELG development session had been very informative and positive, there was a sense of urgency to do more and create more challenge in this space.<br><br>In response to questions around the purpose of engaging in volunteering and social actions projects. The board were advised that volunteering and community and social action was a cornerstone and fabric of FE institutions as community anchors. Volunteering was a very useful method to engage students in work experience activity and develop the employability skills so needed and required by young people to secure employment.<br><br>**ACTION**: Following a discussion on recruitment targets and funding, the Board requested if a training session on college funding could be arranged.<br><br>The Board noted the appointment of a Trust Strategic Growth Director as a very good appointment and useful to support the continued growth of the Trust as well as forming collaborative partnerships with local schools and school sixth forms.<br><br>The Board **NOTED** the report. |
| **B2** | **DCEO Enrolment & Operations Update** |
| | The Board was asked to **CONSIDER** and **NOTE** the Deputy CEO & Principal report<br><br>It was reported that September enrolment was below target and there has been extensive work completed to revise the in-year offer and start a recruitment campaign to attract additional learners. In addition, there had been and continued to be a focus on curriculum efficiencies and ensuring small groups are eradicated and utilisation maximised.<br><br>Attendance remained the main operational focus and the interventions of the attendance improvement task force are having impact with overall attendance on an upward trajectory |

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| | including improved weekly attendance in English and maths. Whilst improvement is being made attendance remained a concern and was not yet good enough.<br><br>The Board were advised that teaching and learning from the learning walks completed was generally good but with some pockets of poorer teaching, especially where there are high levels of agency staffing. Information from the first formal progress reviews shows that the majority of learners are progressing in line with expectations and targets with below target performance correlating with low attendance.<br><br>Further refinement was being made to the review process to ensure a consistent view.<br><br>Compliance with awarding body requirements was good with all assessment plans audited.<br><br>The Board were advised that work scrutiny had started and will continue throughout November on a risk rated basis. There was close scrutiny of the assessment position of rolled over English and maths learners with their progress regularly reviewed.<br><br>It was reported that English and maths attendance was low but showing improvement and teaching from the learning walks shows a generally good standard. The attendance interventions and focus of the engagement officer are driving up weekly attendance but this remains a major focus. The new model is providing additional support and interventions. The usage of the hubs was improving, as is the level of engagement with Century.<br><br>Work continued on developing the approaches to online learning, with online lessons also being a focus for the learning walks. It was reported that where necessary learners are provided with loan equipment to engage with their studies.<br><br>Staff were being supported through the new professional coach network and a TSA programme focussing on “Classroom After Covid” as refreshers for what makes a successful classroom session. |
| | In response to questions from the Board it was reported that in year recruitment was going well. With NEET learners being engaged. Lots of activity was ongoing with adults both recruitment through distanced learning and increasing funding with larger programmes and additional qualification.<br><br>In response to questions on lost learning post covid, the Board were advised that the 16-19 Tuition Funding was being used to support additional English and maths plus additional practical vocation sessions with small groups to improve training in manual dexterity required in some trades and crafts.<br><br>In response to questions relating to English and Math and anything more that can be done, it was reported that there is a strong emphasis on this curriculum area and the impact it has on achievement generally. The Board were advised that following the Deep Dive presentation to the Corporation, Governor-CB has met with team to discuss testing and assessment and first-time pass rates, this was reported as a positive meeting. Governor-CB will revisit the English & Maths team later in the Spring. |

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| | In response to questions relating to agency staff and vacancies, it was reported that there is a correlation with this to achievement and all is being done to fill vacancies. |
| **B3** | **Group Strategy Report Update** |
| | The Board received the Group Strategy Report which outlined progress made on the implementation of the Group Strategy in the 2020/21 academic year, the increased level of Social Value achieved in 2020/21 and the LSEC operating plans for 2021/22.<br><br>It was reported that following the previous update in July 2021 work has continued with external organisations to finalise the 2020/21 Social Value Progress Report.<br>The Board was advised that the report is in the final stages of being externally verified by the Social Value Portal following the submission of final 2020/21 data and builds on the methodology developed over the past two years of using the National TOMS framework as both a benchmarking tool and is a widely recognised vehicle for articulating social impact.<br><br>The 2020/21 data shows both a continuation and an improvement in social value reported against the areas of social value reported for the previous year. The overall picture shows a significant increase in social value reported for the College as well as data being reported for the other parts of the Group.<br><br>It was reported that the 2020/21 SVP Report also highlights areas of work that would require greater focus in the College in the coming year. One area is the leaver destination of some groups of students. This focus has been highlighted in the operational plan for the year to be further investigated within the EDI working group.<br><br>It was noted that since the pilot study in 2018/19, the level of social value generated by the Group has significantly increased. In addition, robust progress continues to be made has been made in the external positioning of the Group as a social enterprise, and in positioning the College as thought leader in this space, particularly with the AoC Conference, E3M, and the London Recovery Board Anchor Charter.<br><br>Board were advised that it was recognised that further progress must be made to increase the impact that the Strategy has on the:<br>• Development of a Group wide social value procurement strategy<br>• Individual ownership of the strategy at operational level (staff & students)<br>• The emerging role of the Multi Academy Trust as a Civic Trust.<br><br>The operational plans for each entity will help progress these elements together with the development of the Group Board #ChangeMakers Commission/Framework for the early development of the future Group Strategy in 2022/23. |
| | The Board **NOTED** the report and commented on the innovative approach fostered by the organisation to measuring social value.<br><br>The Board stated that it was a trailblazer for the sector and pioneering, being able to take the strategic intent and turn it into a deliverable methodology has been recognised and has attracted interesting partners and engagement. |

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| | Reputationally this work has been hugely beneficial with still more work to complete particularly around Climate and Sustainability. |
| **C. Monitoring items** | |
| **C1** | **2021/22 Financial Update Report** |
| | The Corporation was asked to consider the report and Management Accounts for the period ended 31 October 2021 and **APPROVE** the change in the Treasury Management threshold for Corporate Bonds from £3m to £5m.<br><br>The Board received the Management Accounts for the period ended 31 October 2021 (Period 3) for consideration which reported an adjusted operating surplus for the year to date, prior to FRS102 pension adjustments of £454k.<br><br>It was reported that this is £202k lower than the expected forecast for the year to date and is mainly a consequence of our September enrolment being below target with many income lines being accrued to current estimates of full year values.<br><br>The period 3 management accounts contain the first updated forecast outturn for the year. Although this is based upon very early information, it does currently show that the full year operating position could be achieved.<br><br>The Board were advised that the main risks to this relate to Adult enrolments and the need to generate at a further £1.8m of additional enrolments on top of our existing plans for current and expected future learners. The recently announced National Insurance increase is expected to cost the College approximately £62k in the current year, with the full year impact in 2022/23 being circa £190k.<br><br>The Board were advised that the College Bank covenants are currently forecast to be compliant with the debt service cover ratio being the only area of risk at the end of the year. The financial performance and bank covenant compliance will continue to be monitored.<br><br>The Board were advised that given the high levels of cash held by the College, at its meeting in November 2021, the Group Finance Committee reconsidered the limits in the Group Treasury Management Policy for Corporate Bonds and has recommended to the Board of Trustees that the cap on such bonds in the policy be increased from £3m to £5m in order to generate a better return.<br><br>The Group uses a Treasury Management Service to maximise returns through investment in Certificates of Deposit and Corporate Bonds. Given the high levels of cash held by the College, at its meeting in November, the Finance Committee reconsidered the limits in this policy for Corporate Bonds and has recommended to the Board of Trustees that the cap on such bonds in the policy be increased from £3m to £5m in order to generate a better return.<br><br>It was reported that Corporate Bonds have a 2-day notice period for access and are considered to be much more liquid that fixed term treasury deposits. Certificates of Deposit have a same day settlement period should cash be needed urgently. The Board were asked to **APPROVE** the increase in threshold from £3m to £5m. |

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| | The Board expressed appreciation to the GCFO for his comprehensive financial update and **APPROVED** the increase in thresholds for the Certificate of Deposits in Corporate Bonds from £3m to £5m. |
| **C2** | **Property Strategy Update Report** |
| | The Corporation was asked to **CONSIDER** and **COMMENT** on the update report on progress towards implementing the approved Estates Strategy and progress against existing grant allocations and current estate related bids.<br><br>It was reported that the Plumstead project is progressing well to programme to enable the contract for the part disposal to L&Q to become unconditional in early 2022. The decant works have been completed and the College is now operating in the rear of the site. We are currently working through the Section 106 Agreement and hope to have this finalised before Christmas. One significant risk is a Thames Water 'Build over agreement', as the building is constructed over a mains sewer. The Board were advised that our legal team are advancing this aspect, but progress is slow and being tracked closely.<br><br>It was reported that outcomes from two key capital estates bids are awaited in respect of the FE Capital Transformation Fund (FECTF). The bids cover the London Aviation and Green Construction Technologies Centre, and the refurbishment and remodelling of the East Wing of the main building at Bromley. Each project has a grant request of circa £20m. Both outcomes are advised by DfE as due now in Spring 2022 (previously Christmas 2021). The Board were advised that unfortunately, we have been unsuccessful in securing capital funding through the Post 16 fund. The funders fed back that our bid did not have enough certainty in terms of deliverability as we do not have planning permission or tenders for the works.<br><br>The Board were advised that we have been served termination of our heat supply notice for Orpington campus from Bromley Council. This ends the agreements for the Local Authority to provide the heating for the campus, and the end of this agreement has implications for the College as the age and condition of the plant are of real concern. The plant is all life expired and very unreliable, with frequent failure occurring. An assessment of the risk is underway.<br><br>It was reported that we have received notice to end the lease at Kidbrooke campus in February 2022, aligned to the expiry of the first Mayor Construction Academy programme. LSEC had requested an extension to the lease, but agreement was not forthcoming. No major liabilities or issues are expected in respect of our exit from the building. Our curriculum delivery will be relocated to our Holly Hill and Bromley campus locations. |
| | The Board extended appreciation to the Group Director Estates on the update. Following questions, risk around planning at Bromley were noted with levels of uncertainty with local elections and planning decision delays.<br><br>In response to questions the Board were advised that it was too early to determine the financial impact of Orpington heating. If plant needs to be replaced could be c£250k. |
| **C3** | **Risk Register Report** |
| | The Corporation was asked to **CONSIDER** and **COMMENT** on the Risk Register Report.<br>It was reported that since the risk register was last considered by the Corporation, it has been subject to a review by the Group Audit & Risk Committee, risk owners and the Group Executive |

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| | as appropriate. This had resulted in a number of changes to the risk owners, scores and content of some risks.<br><br>Board were advised that of the 43 risks currently identified on the risk register, 11 are High, 25 as Medium and 7 as Low.<br><br>The Board were advised of the high risks and risks that had increased as follows<br><br>It was reported that **Risk C1 relating to failure to achieve main ESFA and HE enrolment targets** had increased with the start of the new academic year and as a result of the main September enrolment intake being below target for a number of income streams. Curriculum teams are completing plans to recruit additional learners in year, and we are also working on making associated efficiency savings which will be required in order to balance the budget. This risk score has now increased by 10 to 28 and is considered to be a High rather than Medium Risk.<br><br>It was reported that **Risk C4 covering failure to flex curriculum offer in year to respond to demand, or government policy** had increased due to there being additional demand for in year recruitment in response to the September enrolment position. Two new controls have been put in place to regularly review costs against income, and a new in year recruitment plan has been agreed. This risk score has increased by 7 to 14 and is now considered to be a Medium rather than Low Risk.<br><br>It was reported that **Risk C7 relating to the failure to improve Maths and English across the College** has improved in some areas, including attendance and participation, the need for better use of facilitated sessions on Century and more management oversight and interventions with at risk students. This risk score remains unchanged and is still considered to be a High Risk.<br><br>It was reported that **Risk C10 covering the major capital projects impacting on solvency or financial health of the college** had a new gap in control with regards to Plumstead planning permission granted subject to Section 106 Agreement and Judicial Review. We need to obtain full planning approval for the project to progress and the risk score remains unchanged and is still considered to be a High Risk.<br><br>It was reported that **Risk C19 covering development plans and growth strategy adversely impacting operations or solvency** remains a high risk whilst we await the outcome of FECTF Bid. The score remains unchanged and is still considered to be High Risk.<br><br>It was reported that **Risk C27 relating to serious breaches of health and safety legislation or a major H&S incident, or accident** had increased due to the results of our H&S audits during 2020/21 having ranked as either Red or Amber, and similar grades at the start of 2021/22 for the audits which have taken place. The main current concerns are curriculum assets and estates compliance which do not meet the minimum statutory standards, together with some behavioural concerns. Although plans are in place to address these matters and progress is being made and monitored through the H&S Committee, this risk score has increased by 8 to 24 and is now a considered to be a High rather than Medium Risk. |

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| | It was reported that **Risk C38 relating to low attendance levels and the impact this has on achievement** had increased due to the potential impact of poor attendance at English & Maths sessions, or Functional Skills exams impacting on overall English and maths achievement rates. Some new controls have been put in place such as additional English and Maths activities in breaks as well as the expansion of 'get further' programme. However, even with these controls, this risk score has increased by 6 to 24, and is now considered to be a High rather than a Medium Risk.<br><br>It was reported that **Risk C14 covering failure to maintain leadership & management presence at each main campus** has increased due to there being some operational difficulties in ensuring sufficient campus management and oversight. This has since highlighted the need for more regular campus briefings and a review of campus management as part of the changes. This risk score has increased by 2 to 12 and is now considered to be a Medium rather than Low Risk.<br><br>The Board were advised of the medium and low risks and risks that had reduced as follows<br><br>It was reported that **Risk C8 relating to failure to implement an effective British Values and Prevent strategy** had decreased as a result of the updated Tutorial programme and the Prevent strategy which has been revised. The Safeguarding Steering Group has also been strengthened contributing to the decrease in the risk. This risk score has reduced by 4 to 8 and is now considered to be a Low rather than Medium Risk.<br><br>It was reported that **Risk C39 covering apprenticeship quality issues that impact on Ofsted outcome or Minimum Levels of Performance (MLP's)** had reduced due to the improvement in apprenticeship achievement rates last year. This risk has reduced by 4 to 10 and is now considered to be a Low rather than Medium Risk.<br><br>It was reported that **Risk C43 relating to Brexit having an impact on learner recruitment** was considered to have passed.<br><br>Following feedback from the internal auditors, this risk number has been reused to record a risk relating to Instances of fraud, irregularity, theft, bribery, or corruption occurring within the Business. This applies not only to financial matters, but also to other aspects of our operations which include but are not limited to MIS data, academic performance, and awarding bodies. This risk has initially been scored at 15 which is a as a Medium risk, and this takes account of our very complex multi-site business where this risk will always be present. |
| | In response to questions, the board were advised that staff culture and behaviour was key to reducing the H&S risk.<br><br>In response to questions relating to Cyber Security the Board were advised that afford able insurance has been difficult to source.<br><br>Board were advised that Audit & Risk Committee would be review Cyber Security. |

| C4 | **2021/22 KPI Scorecard Update Report** |
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| | The Board received the KPI Scorecard for review and were asked to NOTE the progress and predictions against targets.<br><br>Progress against each target was presented.<br><br>The Board were advised on Goal 2 targets that attendance remains the main operational focus and whilst there is week on week improvement attendance remains low and under target all ages and learner types. It was reported that the huge focus on attendance improvement has seen some improve in rates. However, the continued fluctuation and developments in the ongoing pandemic and the changes to guidance may well end up having further impact on attendance rates.<br><br>The Board were advised that retention at this point in the year remains high and above target for all age groups, retention but will decline in year as further withdrawals are made but at this period Achievement is forecast at 91.7% based on the progress reviews undertaken in November 2021.<br><br>Risk to achievement are 16-18 English FS (all levels) and Maths FS (all levels, with focus on L2). Overall classroom achievement at this latest period is predicted to c. 85% on par with previous year.<br><br>It was reported that the vast majority of apprentices are now on the standards frameworks which do not have a timely measure. Work experience is progressing, and learners are being placed, at this point the forecast is that the placement target will be met but this has been marked as amber as the future impact of any further restrictions arising from a new variant is unknown.<br><br>The Board were advised that the application cycle for next year's intake has started with open events being held across October and November, with the total number of applications for 22/23 increased on the previous year (21/22). Further events are planned, especially around the need for additional in year recruitment and there are a suite of events happening in January.<br><br>It was reported that in terms of teaching and learning the policy has been changed away from graded lesson observations but at this point in the year there has already been a significant volume of learning walks (over 350) undertaken in the first part of term to test and gauge the learner experience. Whilst under the new policy these are not formally graded indications from this work shows that the majority of teaching is good or better and where there are pockets of poorer practice these tend to be linked to the proportion of agency teaching in some areas.<br><br>It was reported that Goal 3 targets had been discussed with the Finance and Income report and as part of the Risk Item.<br><br>It was reported that Goal 4 targets in relation to mandatory training was on target. Also that staff turnover rates remained within the national benchmark figures, with an annual turnover rate of 17.3% (vs AOC 18.2%). Current year to date figure is 4.8%. |

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| | It was also reported that an action plan is in place following the results from Great Place to Work, addressing communication, management consistency, health and wellbeing and reward and recognition.<br>The Board were advised that as the appraisal year was coming to an end, and new corporate objectives for 2022 were being considered and set. The new LSEC Behaviour and Competency Framework would be embedded within these objectives. |
| | The Board **NOTED** the report. |
| **C5** | **Safeguarding Update Reports** |
| | The Board was asked to note that safeguarding support has been effective from the start of the academic year.<br><br>The Board received the following summary<br>• 324 safeguarding, wellbeing and support incidents have been logged in the first half term of the academic year<br>• Mental Health and Wellbeing support make up 63% of recorded support.<br>• Policies have been updated to reflect KCSIE 2021.<br>• An interim DSL will be in place whilst recruitment for the new Head of Safeguarding, DSL role. Safeguarding Managers and Senior Safeguarding Managers are all trained to DSL level.<br>Key issues reported and identified as<br>• Mental Health and Wellbeing concerns make up 63% of recorded concerns<br>• Ensuring there is effective DSL cover whilst we are recruiting a new DSL role.<br>Key actions reported as<br>• Continuing to develop resources and support for mental health and wellbeing is a priority area with actions planned for the academic year<br>• The DSL role has been advertised and shortlisted. An interim agency DSL will be in place whilst we are recruiting the new role. |
| | The Board expressed appreciation for the Safeguarding report and welcomed the strategic approach being adopted by Group Director Safeguarding-BM.<br><br>Lead Governor JH advised very helpful to approach looking at prevention and scope for LSEC to a trailblazer. Mental health issues and peer on peer abuse would continue to be reported and highlighted to the Board.<br><br>The Board **NOTED** the report. |
| **C6** | **2020.21 EDI Annual Report & Update** |
| | The Board were asked to NOTE and CONSIDER the Annual Report and BFLEG Action Plan<br><br>The Board were advised on the progress of our EDI agenda in 2020/21 relation to the EDI Grants programme; progress against our EDI objectives; Internal and external communications; and Accreditations and memberships Progress against our EDI Objectives in 2021<br><br>It was reported that good progress has been made against our EDI objectives in relation to the staff disclosure rates and there has been an increase of up to 4%. In addition to mandatory EDI |

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| | training, further staff training on Inclusive Recruitment, Deaf Awareness and Embedding EDI in the Curriculum has been implemented. Throughout last academic year, staff and students engaged in EDI matters, under the grants programme and, as per the EDI College Calendar.<br><br>The Board were advised that all EDI champion and sponsor roles have been filled and engaging in activities. We have used our communication platforms to inform staff, students and external stakeholders of our progress, and EDI sites on TEAMS, SharePoint, student portals and been set up plus communications to staff via briefings and in lunch and learn meetings.<br><br>It was reported that some of the achievement gaps had been narrowed: Black Caribbean Students – narrowed by 2.3%, Black and White Dual heritage – narrowed by 2.1% Looked after Children – narrowed by 0.4%.<br><br>Targeted student interventions were implemented and of the engaged 88 students,78% of those students achieved.<br><br>It was reported that further work on narrowing achievement gaps will be implemented with a targeted approach this year to encourage staff and students to take out more grants for research purposes, around our achievement gaps, student experience and other initiatives aimed at tackling inequalities.<br><br>It was reported that further positive action recruitment strategies for areas of under representation were being implemented.<br><br>The Board were advised that 'LSEC was now an affiliate member of the BLFEG, and an induction into their 10-point plan had been scheduled for 10th November, after which a train the trainer programme will be rolled out to implement actions.<br><br>As part of this membership it was reported that LSEC "black" staff have access to mentoring programmes and a number of our ethnic minority staff have engaged in management development programmes.<br><br>The Board were advised that LSEC were working with Investors in Ethnicity and Stonewall Champions. |
| | The Board were advised that following the BFELG induction the leadership team, had identified the following priorities under the 10-point plan:<br><br>(point 1) Radical review of the curriculum<br>(point 2) Anti-Racism being central to CPD<br>(point 4) The publication of data annually<br>(point 7) QA Processes spotlight race equality<br>(point 10) Positive Optics and Messaging<br><br>The following actions were also agreed<br><br>• To develop, design and implement an inclusive curriculum to reflect cultural diversity<br>• To listen to the learner and employer voice (including aspirations for internal progression, career goals, and employment |

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| | • To grow our future talent and pipeline<br>• To interrogate our data for any gaps<br>• To lead dialogues across our communities<br>• To adapt the constitution to reflect a richer and diverse Governance across the Group<br>• To implement CPD to develop staff confidence and skills in managing difficult conversations<br>• To facilitate Student Focus Groups focussed on Antiracism, including freedom of speech<br>• To work with Awarding Organisations to shape qualifications and/or curriculum content<br><br>The Board were advised of the following next steps.<br><br>1. A debrief and next steps meeting is to be arranged with the Executive team of the BLFEG<br>2. Outcomes from Debrief to determine organisational next steps.<br>3. The above to inform objectives/content/timing for Train the Trainers session.<br>4. Nomination of User Group rep. |
| | In response to questions from the Board around destination and progression data to include EDI criteria.<br><br>In response to question on achievement gaps Board advised it would be good to see what success might look like – are we doing enough.<br><br>In response to questions in particular around the output of the BFELG workshop, the Board suggested more specific targets. JCB to REVIEW and CONSIDER any changes to the KPIs. |
| **D** | **Information items** |
| **D1** | **Staff Governor Update** |
| | Staff Governor reported that mood of staff was generally buoyant. Some apprehension on Government announcements on Plan B. |
| **D2** | **Student Council Update** |
| | Board were advised that first Student Council Meeting had been Good with student representation across sites, age and provision type.<br><br>Governor JH to be invited to next Student Council Meeting in Spring. |

**AOB – none presented**

**Next meeting date: Wednesday 9th February 2021 – Board Development Meeting.**
**Items Deferred to next meeting:** 2020/21 Board Evaluation

**Approved by Chair on 9th February 2022.**

Stephe Howlett