



**College**

**USP College Corporation**

**Minutes of the Meeting held on Tuesday 29 September 2020**

**Meeting held via Microsoft Teams**

**Meeting commenced: 16.00hrs**

**Meeting ended: 18.15hrs**

**Present**

Gordon Haines	Independent Member	Chair
Phillip Lennon	Independent Member	Vice Chair
Ian Hockey	Independent Member	
Andy Williams	Independent Member	
Ralph Henderson	Independent Member	
Jacob Smith	Independent Member	
John Baker	Independent Member	
Vikki Liogier	Independent Member	
Dan Pearson	Principal & CEO	
Julie Snelling	Staff Member	
David O'Donovan	Staff Member	
Cameron Root	Student Member	

**Apologies**

Roger Key	Independent Member
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**In attendance**

Steve Hendy	Chief Operating Officer
John Revill	Vice Principal Partnerships, Funding & Business Planning
Clare White	Deputy Principal Corporate & Student Services
Stuart Coussins	Head of Higher Education (item 7 only)
Phillip Stone	HE & Access Partnership Programme Manager (item 7 only)

**Clerk**

Sue Glover	Clerk to the Corporation
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The Chair of the Corporation welcomed everyone to the meeting, in particular the new Student Member, Cameron Root, who was attending his first meeting of the Board.

Before the meeting commenced, members were asked to confirm that they had received and read the updated version of the statutory guidance from the Department for Education 'Keeping Children Safe in Education (September 2020)', which had been communicated to all members by the Clerk. All members confirmed that they had read and received the document.

**055/20**

**Declarations of Interest**

Members and staff were reminded of the need to declare any personal or financial interest in any item to be considered during the meeting.

John Baker advised that he is a partner with Glenny LLP and a Director of Dovetail Architects Ltd.

Ralph Henderson advised that he is a Director of Rugby at Thurrock Rugby Club, President of William Edwards' Alumni and a member of the William Edwards' Trust.

There were no other declarations of interest.

**056/20 Apologies for absence**

Apologies for absence were received from

- Roger Key

**Agreed**

The Corporation Board agreed to accept the apologies for absence

**057/20 Unconfirmed open minutes of the meeting of the Corporation Board held on 14 July 2020**

The minutes of the meeting were approved and signed as a correct record. It was noted that the unconfirmed restricted minutes of the meeting of the Corporation Board on the same date were to approve the previous minutes and it was agreed that these were also signed as a correct record.

**058/20 Matters arising and action points from the minutes of the previous meeting**

The Board reviewed the actions outstanding from the previous meeting, noting those that would be picked up under this agenda.

It was agreed that all Action Points had been satisfactorily completed and that there were no other matters arising from the minutes of the previous meeting.

**059/20 Membership Report**

The Clerk presented a report detailing issues relating to the membership of the Corporation Board.

Members were advised that

- following the resignation of Graeme Loveland in July 2020 this created a vacancy for an independent member
- the Search and Governance Committee are actively seeking new governors and will make recommendations to the Corporation Board when appropriate
- the co-opted member of the Search and Governance Committee, Malcolm Bell, has agreed to become an independent member for the remainder of his current term of office and to serve on the Risk and Audit Committee, filling the vacancy left by Graeme Loveland, and to continue to serve on the Search and Governance Committee
- following the recent election process at the Seevic campus, this has resulted in Success Popoola being nominated as the Student President and Student Governor for the Seevic campus

The Board unanimously agreed the appointments.

**Resolved**

The Corporation Board approves the appointments of

- Malcolm Bell as an independent member
- Success Popoola as the student governor for the Seevic campus

**060/20**

### **College Update**

The Principal gave an update on arrangements relating to Covid-19.

Members were advised that

- the term has started well, despite the challenges presented by Covid-19 and the College continues to follow the advice and guidance given by the Government, Public Health England and the NHS
- Investment has been made in the creation of Streaming Rooms, which will support the requirement for social distancing – further information will be given under the Digital Strategy item on this agenda
- ‘Vocational and A Level bubbles’ have been created for students and all breaks are staggered to ensure social distancing is maintained
- The college is continually reviewing controls and procedures and the risk assessments in place to deal with Covid-19
- The Vice Chair had conducted site visits at the start of term on behalf of the Board at both campuses and also at ITEC, making some minor suggestions to enhance arrangements

The Board discussed the issues raised and agreed that the arrangements in place covering all areas of the business during Covid-19 continue to be very satisfactory and took the opportunity to thank all members of the senior team and staff for the tremendous effort and amount of work undertaken to ensure the health and safety of all students and staff.

Members were reminded that the outcomes of the site visits by the Vice Chair had been circulated to everyone outside of the meeting. The Vice Chair was able to reaffirm the satisfactory arrangements in place at all sites and members agreed that these visits had given additional assurance to the Board of the measures taken by the College and thanked the Vice Chair for his time in undertaking these.

It was agreed that the Board would continue to receive the regular staff briefings on Covid-19, which have been very helpful in keeping the Board advised of the current situation.

### **Agreed**

The Corporation Board agreed to receive and note the update

**061/20**

### **Enrolment position for 2020/21**

The VP F&BP presented the current enrolment position for 2020/21.

Members were advised on enrolment to date for

- GCE A Level Year 1 and Year 2
- Foundation Learning
- Level 1 Vocational (+GCSE)
- Level 2 Vocational
- Level 3 Vocational – Year 1, 2 and 3

It was noted that the current enrolment numbers indicate that the College is currently 70-80 learners above allocation if same rate of attrition is applied as last year.

Members agreed that, overall, the College has had a strong start, but the focus should remain on retaining the students, particularly during the 42 day period in order to mitigate the risk of this having an impact on funding for the following year.

Members commented that the positive position reflects the sign of good recovery from the demographic decline that has been experienced over the last few years.

The Principal took the opportunity to highlight some of the excellent achievements by students, in particular those students who have recently achieved outstanding results in The London Institute of Banking and Finance Level 3 qualifications and have been awarded a scholarship towards one of their degree programmes. It was agreed that these 'good news stories' on student achievements should be widely publicised where possible.

### **Agreed**

The Corporation Board agreed to receive and note the enrolment update

**062/20**

### **ITEC Learning Technologies Limited**

Members received the unconfirmed minutes of the meeting held on 14 July 2020.

The Principal updated the Board on the recent appointments made at ITEC

- Ben Turner, Managing Director
- Olivia Suleman, heading up the sales function

Members were advised that due to Covid-19, there has been an increase in redundancies among apprentices, particularly in accountancy. A more detailed report will go to the ITEC Board.

### **Agreed**

The Corporation Board agreed to receive and note the update

### **Stuart Coussins and Phillip Stone joined the meeting**

**063/20**

### **Higher Education – Endorsement of Chair's Action**

The Clerk to the Corporation presented, for endorsement, details of the Chair's Action taken since the last meeting of the Corporation Board.

Members were reminded that, in accordance with the Delegation of Powers of the Corporation of USP College, set out in the Manual of Governance, the Corporation has delegated authority to the Chair of the Corporation to take action on behalf of the Corporation on occasions when issues arise outside of a scheduled meeting. Any Chair's Action taken is to be endorsed by the Corporation Board at the next scheduled meeting.

The Board was advised that

- as a result of a decision by the College's Admissions Committee, the College took the decision to suspend enrolment on the following two HE courses:
  - Art and Design HNC Level 4
  - Health Promotion and Social Care BA Hons Degree Level 6
- there were no accepted offers on the Art and Design HNC Level 4 course
- there were three accepted offers on the Health Promotion and Social Care course and the College implemented the HE Student Protection Plan to offer IAG to the affected students
- as these students had accepted the offer of study, the College was required to report this as a reportable events submission to the Office for Students (OfS) with approval from the governing body
- as this was required to be submitted to the OfS before the next meeting of the governing body, the Chair of the Corporation gave agreement under Chair's Action on 16 September 2020

In response to questions, members were advised that the submission made had been acceptable to the OfS.

### **Resolved**

The Board endorsed the Chair's Action taken on 16 September 2020 to suspend enrolment on the following HE courses

- Art and Design HNC Level 4
- Health Promotion and Social Care BA Hons Degree Level 6

**064/20**

### **Higher Education – Docklands Academy London HE Provision 2019/20**

The VP F&BP presented a report detailing the latest developments at the Docklands Academy London (DAL).

Members were advised that

- the first indication of outcomes for 2019/20 have gone through the formal exam board process and, although there are indications of improvement, these are not in the order of magnitude required
- there are still two additional cohorts of learners yet to complete, however using DAL projections this will still only see a best-case pass rate of 55%
- there are ongoing quality and administrative concerns at DAL, which the College has invested significantly in resources to resolve
- there have also been several regulatory non-compliance issues, although not reportable due to Covid-19, these are still a concern
- these issues, together with the 2018/19 outcomes, increase the risk of maintaining the conditions of registration with the OfS and a formal investigation
- in order to best mitigate these issues and ensure learners are not negatively impacted, it is recommended that
  - current learners are allowed to continue with the programme of study, approximately 94 learners
  - learners who have just completed their HNC's (approximately 80 learners) are allowed to enrol and progress onto the HND programme
  - no new starts are allowed on to the HNC programme
  - a revised contract to ensure that there are financial penalties against any further breaches of conditions

Members discussed the issues raised and, in response to questions, were advised that

- that all progressing learners would be subject to a very rigorous and robust 'academic board style' interview before continuing with their programme of study to evaluate their capability of achieving
- there is some conflict between financial sustainability and student achievement, but it is felt that the rigour given during the 'academic board style' interviews is the best way forward to ensure the academic welfare of the student

Members raised concern over the extent that DAL would be relied on to deliver the programme for continuing students, but were given assurance of the resources being given by the College. Members commented that it was important the College is not faced with a similar situation with another partner and were assured that full due diligence is undertaken with any new partners, as have been with Oxford Business College.

The main cause of the issues at DAL were due to a change in senior management and restructuring of the company and a full investigation has been carried out by the College who are satisfied that the proposals to mitigate the issues at DAL ensure the best outcomes for the students.

In discussion, members agreed that the proposed recommendations are put in place. However, it was agreed that a further recommendation is added requesting that, following the full investigation, a report is produced to inform the Board on the situation at DAL, how it came about and the current status and the measures in place to ensure that a similar situation does not occur with any other partner with the College in the future.

### **Resolved**

The Corporation Board agrees that the recommendations discussed are put in place in order to mitigate the issues raised and ensure that learners are not negatively impacted

### **Stuart Coussins and Phillip Stone left the meeting**

**065/20**

### **Financial Update**

The Chief Operating Officer presented a report, which provided an update on key financial matters, including the draft year-end position for 2019/20.

Members were advised that

- the current expected financial outturn, before the pension liability adjustment, is likely to be between £700k and £800k
- following the Covid-19 budget review, the revised year-end forecast presented at the previous meeting indicated best, worst and likely case scenarios,
  - likely case of an operating deficit of £489k
  - worst case deficit of £954k
- the key reasons for the decline in financial position will be confirmed at the next Finance and Resources Committee as this is currently being reconciled, but will include lower Provider Relief Scheme funding, reductions to HE income, lower Apprenticeship funding, no annual capital support from the Trust, reduction to full cost tuition income and other additional Covid-19 costs
- cash at the financial year-end was £980k, slightly above forecast
- the College had expected to breach one of its bank loan covenants, but following a review by the bank, they deemed this not to be the case and issued confirmation supporting this outcome and a waiver letter was not issued as expected. This information has been shared with the external auditors
- the bank have confirmed that due to the impact of Covid-19 and the proposed loan re-financing, the current loan covenants will be replaced once re-financing has been agreed

- colleges have been given the opportunity for this year only to submit signed audited financial statements on 31 January 2021 instead of 31 December 2020 if they choose to. The College has decided and agreed with external auditors to keep to the 31 December deadline at this time
- the pension liability report for 2019/20 has been received from Essex County Council and indicates that the College pension liability has increased by 38% from £9.859m to £13.626m

In response to questions, members were advised that the impact from the pension liability to the Income and Expenditure account will show a significant increase to the current deficit of circa £3.7m. However, it was important to note that this figure is only realised should the pension crystallises, which is unlikely and it was important to focus on the underlying position.

### **Budget and Funding update**

Members were advised that

- since the approval of the 2020/21 budget, the College has been awarded additional funding by the ESFA for
  - 16 to 19 Tuition Fund (£249k)
  - College Condition Improvement Funding (£800k)
- a planned, full budget review will be carried out during October 2020 to ascertain the current budget position and to obtain approval of a revised budget for 2020/21 if necessary
- the ESFA have recently carried out a review of ITEC's finances to ensure their fitness for funding
- the outcome of this review was positive due to USP College acting as guarantors for ITEC. However, the ESFA will now carry out regular reviews of ITEC until a financial recovery plan is put in place and it can be demonstrated that ITEC is financially solvent and independent of the College
- the ESFA have accepted that a potential deficit will be reported for 2019/20, but a recovery plan forecasting a surplus for 2020/21 is crucial to ensuring ITEC's fitness for funding in the future
- Barclays bank have brought in additional support and scrutiny of the College finances, which will be in place for at least 18 months whilst we work towards demonstrating good financial health

Members discussed the issues raised and, in response to questions, were advised that

- the College Group must ensure it reports a surplus in 2020/21 as well as focus on improving cash position
- the outcome of the budget review may require additional strategies to be put in place to ensure a surplus, which could include staff restructuring

It was agreed that the Finance Executive Group would review the budget at the end of October in advance of it being presented to the Finance Committee and the Board.

### **Management Accounts 2020/21**

Members were advised that

- The first set of management accounts for 2020/21 will be for September 2020 and available in October and include USP College and ITEC
- The College has appointed a new Management Accountant who will be responsible for producing monthly accounts with oversight by the Head of Finance and COO

- The College is currently in discussions with the bank regarding financial support options available, which, as previously reported, include
  - Longer term overdraft facility of £500k
  - Refinance of all college loans into one loan over 15 years
  - Capital repayment holiday once loans have been refinanced
  - Business support loan rather than an overdraft facility
- Glenny LLP have been managing the land sale process, which has been delayed due to Covid-19. Meetings are being scheduled for October 2020 to obtain an update regarding the current position with the council and to establish any changes to the current market
- The formal lease for the Canvey Skills Centre is nearing finalisation and the College is currently operating under a tenancy at will until the lease is agreed

In discussion, members were advised that the expected completion date for the Canvey Skills Centre lease is the end of September with the main sticking point being the break clause. It was agreed that there should be no capital spend on the building until the lease was in place and there was a risk that by not being able to proceed with renovations the building would not be complete by March. The Board would be kept informed on the progress of the lease.

### **Agreed**

The Corporation agreed to receive and note the financial update

**066/20**

### **Digital Strategy**

The Principal presented a report detailing the Digital Strategy and gave a presentation, which updated the Board on the Strategic Plan.

Members were reminded of the

- Career focused learning
- Strategic aims
- Key sector areas, noting that underpinning Digital and Creative is the Digital Strategy

Members were advised that

- The College needs to adapt and rethink teaching in order to develop new and appropriate approaches to our digital approach
- This will be done with a mix of encouragement, experimentation, training and support to allow staff and students to successfully embrace the change required
- The focus will be on the pedagogical changes the new digital revolution demands, experiment with and adopt to improve our approaches and the practices of our people
- The starting point will be to investigate, make sense and invest in the training and infrastructure required
- Covid-19 has only accelerated the need for the College to make huge step changes in our digital approaches
- The intent behind the creation of the streaming rooms is to support the requirement for social distancing, enhance the experience of distance or remote learning by allowing students to engage in a live taught session
- 10 rooms currently installed with two portable set ups ordered
- Immersive rooms – unlike the streaming room, the immersive room remains the pedagogical gold standard in linking groups of students between campuses and other partner colleges



- Research & Development Facility Immersive Technologies (REDFIT) formally known as CEDTIL is being developed, with its main aims and objectives
  - to create a high tech flag ship facility for Essex and beyond, to access for training purposes, new and emerging technologies
  - provide USP college students with the equipment, tools and training required to enter employment in high-end digital careers
  - will be extended to ITEC

The Digital Strategy will be aligned to both the strategic priorities of USP and its teaching and learning strategy.

In discussions, members agreed that this strategy presented an excellent opportunity for the college to be at the forefront of digital technology and to provide its students with the best possible opportunities for employment in a digital career.

All governors gave their support for this initiative and agreed to promote this widely when possible. The Board took the opportunity to congratulate the Principal and his team on the development of this excellent strategy.

It was suggested that the accessibility issue in relation to the new regulations which came into effect in September for the public sector had not been addressed within the strategy and this would be added in.

#### **Agreed**

The Corporation Board agreed to receive and note the report and presentation

**067/20**

#### **Governors Self-Assessment for 2019/20**

The Clerk to the Corporation presented for consideration the outcomes of the governors' self-assessment for 2019/20.

It was noted that the overall assessment by governors of the College's governance arrangements for 2019/20 was

- 64% rated outstanding
- 36% rated good

This had been an improvement year on year, which was pleasing to note.

It was agreed that the summary would be sent to the Interim Quality Consultant and Director of Quality so that comments could be used in the Leadership and Management section of the College self-assessment report. The various issues for consideration during the year would be further assessed by the Chair and Clerk and discussed with each governor during their forthcoming 1:1 discussions with the Chair.

**068/20**

#### **Any Other Business**

There was no other business.

069/20

**Schedule of Meetings 2020/21**

Tuesday 15 December 2020 – main Corporation Board

Tuesday 9 February 2021 – Training & Development

Tuesday 23 March 2021 – main Corporation Board

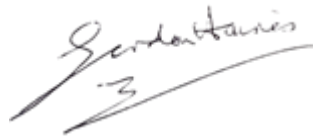
Tuesday 11 May 2021 – Training & Development

Tuesday 13 July 2021 – main Corporation Board

All meetings commence at 4pm.

**At the conclusion of the Part 1 meeting, the Corporation Board moved into a meeting restricted, in accordance with the requirements of the Instrument and Articles of Government and with Section 22 of the Freedom of Information Act 2000, to the independent members of the Board and to the senior postholders.**

**SIGNED AS A CORRECT RECORD:**

A handwritten signature in black ink, appearing to read "J. Gendataniis", with a horizontal line underneath it.

**DATE: 15 December 2020**