



College

USP College Corporation

Minutes of the Meeting held on Tuesday 13 December 2022

Meeting held on Microsoft Teams

Meeting commenced: 16.00hrs

Meeting ended: 18.15hrs

Present

Phillip Lennon	Independent Member	Chair
Roger Key	Independent Member	
Nicola Curtis	Independent Member	
Andy Williams	Independent Member	
Ian Hockey	Independent Member	
Vikki Liohier	Independent Member	
Malcolm Bell	Independent Member	
Tony Wenden	Independent Member	
Paul Dale	Independent Member	
Dan Pearson	Principal & CEO	
Clare Smith	Staff Member	
Harvey Wayland	Student Member	
Maisie Cosby	Student Member	

Apologies

Donna Williams	Staff Member
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In attendance

Steve Hendy	Chief Finance Officer
Jon Briggs	Vice Principal Quality & Curriculum

Clerk

Sue Glover	Clerk to the Corporation
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046.22 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.

The staff member, Clare Smith, declared an interest in the staff pay award discussions.

There were no other declarations of interest.

047.22 Apologies for absence

Apologies for absence were received from

- Donna Williams

The Corporation Board agreed to accept the apologies for absence

048.22 Unconfirmed open minutes of the meeting of the Corporation Board held on 27 September 2022

The minutes of the meeting were approved and signed as a correct record.

049.22 Matters arising and action points from the minutes of the previous meeting

The Board reviewed the schedule of actions outstanding from the previous meeting, noting those that are carried over.

The CFO took the opportunity to update members on the land sale (the Sports Field at the Seevic Campus). The Board was advised that the Option Agreement for the sale of the land to Persimmon Homes has now been completed and was ready for signature. It was agreed that this would be circulated to all members of the Board outside of the meeting for any comments prior to being signed.

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

Resolved

The Corporation Board agreed that the Option Agreement is circulated to all members of the Board prior to this being signed for any further comments

050.22 Membership Report

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

Ian Hockey left the meeting

Reappointment of Ian Hockey

At the meeting of the Search and Governance Committee held on 1 November 2022, consideration was given to the application for reappointment of Ian Hockey. The Committee are recommending that he is reappointed for a second four-year term of office from 1 January 2023. The Board unanimously agreed his reappointment.

Ian Hockey returned to the meeting

The Chair took the opportunity to congratulate Ian on his reappointment and to thank him for his continued contribution to the Board and to the College.

Members were reminded that at the last meeting, the Board was advised that Roger Key had given notice of his intention to leave the Board in July 2023. The Search and Governance Committee were informed at their meeting that Roger has subsequently decided to withdraw his intention to leave when he has completed his current term. The Board was pleased to accept this decision.

Members were advised that, as Phillip Lennon is the Chair of the Corporation, it was not appropriate for him to remain the Chair of the Remuneration Committee when it met on 30 November (as the AoC Senior Post Holders Remuneration Code states that Remuneration Committees must not be chaired by the Chair of the Governing Body). In order to remain compliant with the Code, Malcolm Bell was appointed Chair of the Committee for this meeting.

Link Governors' Scheme

The Board was informed that the Search and Governance Committee had agreed at their meeting to leave the Link Governor for Higher Education vacant until such time as potential new members are considered. In the interim, Phillip Lennon would provide assistance for any specific involvement as he has some knowledge in this area and could assist if required.

Members were advised that the Board carries two vacancies at this time, but the number of independent members will be subject to review in light of any future retirement or resignation. The search for potential new members continues with one or two emerging and arrangements are being made to meet with them early in the New Year.

Resolved

The Corporation Board:

- Agreed to receive and note the report
- Endorses the recommendation of the Search and Governance Committee and
 - approves the reappointment of Ian Hockey for a second four-year term from 1 January 2023
 - agrees that the Link Governor for Higher Education remains vacant until such time as potential new members are considered
- Endorses the recommendation of the Remuneration Committee and approves the appointment of Malcolm Bell as Chair of the Committee

Phillip Lennon and Andy Williams left the meeting

051.22

Appointment of Chair and Vice Chair of the Corporation

Members were reminded that at the last meeting, it was agreed to appoint Phillip Lennon as the Chair of the Corporation and Andy Williams as the Chair Designate to work alongside the Chair for a period of time with the expectation that he will be appointed as Chair of the Corporation at the end of this period.

Members were advised that the Chair Designate has been working alongside the Chair this term and both feel that it would now be an appropriate time for the Chair Designate to assume the role of Chair with the effect from the 1 January 2023.

The Board unanimously agreed that Andy Williams is appointed the Chair of the Corporation and, as agreed at the last meeting that when this appointment was made, Phillip Lennon to resume the role of Vice Chair of the Corporation.

Resolved

The Corporation Board approves the appointments of:

- Andy Williams as the Chair of the Corporation
- Phillip Lennon as the Vice Chair of the Corporation

Both appointments to take effect from 1 January 2023.

Phillip Lennon and Andy Williams returned to the meeting

052.22

Annual Report of the Risk and Audit Committee

The Chair of the Risk and Audit Committee presented the Annual Report of the Risk and Audit Committee on the work of the committee during 2021/22.

Members were advised that the Annual Report of the Risk and Audit Committee had been considered at the meeting of the committee held on 29 November 2022 and is commended for approval by the Corporation Board.

Members were advised that the Committee is required to provide an annual report to the Board and to the Principal and Chief Executive, which outlines the work undertaken by the committee, how it has fulfilled its responsibilities as set out in its Terms of Reference and to give an opinion on the adequacy and effectiveness of the Corporation's assurance arrangements. The Board must have sight of this

Report before the Board makes its decision to approve the USP Financial Statements for 2021/22.

Members considered the detail of the Annual Report and, in particular, noted the conclusion in the report:

'It is the opinion of the Risk and Audit Committee that the reports of the internal and external auditors demonstrate the progress that continues to be made throughout the College.

On the basis of the reports of the internal and external auditors, the responses of senior management to the issues raised by the auditors, and discussions held by the Risk and Audit Committee with senior management and the auditors, the Committee is satisfied that the College has an adequate and effective system of internal control and with its arrangements for risk management, control and governance processes during 2021/22.

The Committee is satisfied that these have been applied by the College in relation to its requirement to make effective and efficient use of its resources, to monitor its solvency and to safeguard its assets. In our view, these reports also provide significant assurance regarding the efficient and effective achievement of College objectives'.

Resolved

The Corporation Board notes and accepts the Annual Report of the Risk and Audit Committee to the Corporation Board and Principal and Chief Executive of USP College for 2021/22.

053.22

Budget review for 2022/23

The CFO gave a presentation on the outcome of the budget review for 2022/23.

Members were informed on:

- What has changed since the budget was approved in July 2022
 - Challenges faced – energy crisis £1.1m budget revised to £1.5m
 - Inflation rate – currently 11% revised budget assumes an average of 14%
 - Bank interest rate – currently 3% but expected to be 5%
 - Higher education net shortfall £150k
- New income totalling £509k, made up of
 - Strategic Development Fund - £138k
 - Additional OfS funding - £148k
 - Land Sale Option Agreement - £150k
 - LSF Student Bus Subsidy - £60k
 - Other – Trust - £13k
- Staff pay award – under consideration at 3%, amounting to £270k on the assumption of a January 2023 implementation date
- Further capital funding now expected relating to condition improvements and energy saving measures

Members were presented with an overview of the revised budget indicating a surplus of £48k against a breakeven budget approved in July 2022. The overview also indicated:

- cash position forecast to improve by circa £400k on 2021/22 if budget achieved
- revised funding profile shows significantly improved cash held between January and April 2023

- Risks and Uncertainties - budget remains high risk due to uncertainty of HE delivery, energy costs, new and existing income not yet received, unexpected Estates breakdowns, pension revaluation outcome
- main areas of sensitivity identified on budget lines
- sensitivity analysis summary, indicating 'worst case' budget
- financial health assessment, indicating that 'worst case' budget would downgrade to 'requires improvement' from 'good'

In discussion, members agreed that the revised budget presented gave a very clear overview of what is achievable and the potential risks.

The Board indicated that a pay award to staff should be a key priority. Members discussed the issues surrounding the pay award and agreed that it was important to reward staff for their hard work and contribution during the year. Unfortunately, given the high degree of risk associated with the budget review, it was agreed to defer a decision on any pay award until the detailed budget review in the New Year was presented to the Board in March.

In the meantime, members asked that the risks identified, including the use of the contingency amount within the budget review, are closely monitored through the monthly management accounts and reported back to the Board on a regular basis. The Board was in agreement that the revised budget is approved.

Consideration was given to the Going Concern Assessment presented, noting that based on the current budget review position and the risks and uncertainties:

- the outcome of the high level budget view highlights that the College continues to face significant financial challenges during 2022/23
- the cash position indicates a reasonable amount of funds held at the year end
- financial health is forecast to be 'good' currently

The Board considered the proposed wording on going concern:

'after making appropriate enquiries and after considering the outcome of the budget review and forecasts, the Corporation considers that the Group has adequate resources to continue in operational existence for the foreseeable future but acknowledges the financial challenges faced during 2023 and 2024. For this reason, USP College considers to adopt the going concern basis in preparing the financial statements but with material uncertainty'.

It was noted that the external auditor had concurred with the assessment and the Board was content to accept this going concern assessment.

Resolved

The Corporation Board approves:

- the revised budget for 2022/23 of a surplus of £48k
- the going concern assessment as presented with material uncertainty
- the deferment of a decision on any staff pay award to its meeting in March 2023
- the CFO to keep the Board regularly informed on progress against the revised budget

Vikki Liogier joined the meeting

054.22

Internal and External Audit

The Chair of the Risk and Audit Committee presented for consideration and approval, as appropriate, the following:

- Annual Internal Audit Report for 2021/22

- Post-audit management report for 2021/22 prepared by Buzzacott LLP
- USP Financial Statements for 2021/22
- Regularity Self-assessment questionnaire
- Letter of Representation

Members were advised that the Risk and Audit Committee had considered each of the documents at the meeting held on 29 November 2022, where the external auditor had presented the Post-Audit Management report, advising that the audit had gone well with no adjustments to be made.

The CFO had presented an update on the going concern assessment under the budget review outcome earlier in the meeting and the proposed wording had been agreed; it was noted that the external auditors were satisfied with the outcome of the November budget review and had updated the Post-Audit Management report to reflect this.

Members reviewed the financial statements for USP and gave detailed consideration to:

- Member's Report
- Statement of Corporate Governance and Internal Control
- Statement of Regularity, Propriety and Compliance with Funding body terms and conditions of funding
- Statement of Responsibilities of the Members of the Corporation
- Independent Auditor's Report to the Corporation of USP College
- Reporting Accountants Assurance Report

Members were advised that:

- the College generated Total Comprehensive Income for the year of £10,895k (2020/21: £10,323k) which is stated after accounting for the re-measurement of the Defined Benefit pension scheme
- the College has received a clean audit opinion on both its financial statements and its regularity report
- although this presented a very positive position, it was important to note that this was due to a significant adjustment to the pension scheme, which has resulted in the net pension deficit being removed from the financial statements. The group had an underlying operating deficit is £640k (2020/21: £579k), which is primarily due to the ongoing deficits made by ITEC and the delivery of apprenticeships and challenges associated with HE delivery.

Members noted that it was the opinion of the Financial Statements Auditor that the financial statements for USP College:

- *Give a true and fair view of the state of the College's affairs as at 31 July 2022 and of the College's surplus of income over expenditure for the year then ended, and*
- *Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice*
- *In all material respects, funds from whatever source administered by the College for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;*
- *In all material respects, funds provided by the OfS, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions; and*
- *The requirements of OfS's accounts direction have been met'*

Members also noted the conclusion given by the Regularity Auditor that there are no issues to report

The ITEC Financial Statements for 2021/22 were presented for information and members were informed that these had been approved by the ITEC Board on 5 December 2022. The CFO confirmed that, following the recent re-classification by the ONS, ITEC no longer required a Letter of Comfort from USP. Members were advised that as the teach-out of operations has continued into 2022/23 and that the College's cleaning contract has been moved into the business, ITEC will be continuing operations in 2022/23.

Resolved

The Corporation Board acknowledges receipt and understanding of:

- Annual Internal Audit Report for 2021/22
- Post-audit management report for the year ended 31 July 2022 prepared by Buzzacott LLP

The Corporation Board approves:

- USP Financial Statements for 2021/22
- Regularity Self-assessment questionnaire
- Letter of Representation

055.22

College Self-assessment report (SAR) for 2021/22

The Chair of the Quality Committee presented the College SAR, which had been considered by the Quality Committee at the meeting held on 6 December 2022 together with the Quality Improvement Plan (QIIP) for 2022/23 and is recommended to the Corporation Board for approval.

Members were advised that:

- the SAR sets out a review of College performance in 2021/22, based on the Education Inspection Framework
- the Quality Improvement Plan (QIP) sets out the key improvement priorities, planned actions and targets for the year

Members reviewed the detail of the document, noting:

- performance against previous year's targets
- proposed targets for 2022/23
- overall effectiveness, key strengths and improvement priorities for the following areas:
 - Quality of Education
 - Behaviour and Attitudes
 - Personal Development
 - Leadership and Management
 - Provision for learners with high needs
 - Innovation and local skills needs

Members were advised that at this time, provisional grading is 'Good' for all areas with the exception for the Provision for learners with high needs which is judged to be 'Outstanding'. It was agreed that the provisional grading for each of the areas was appropriate.

Resolved

The Corporation Board endorses the recommendation of the Quality Committee and approves the College self-assessment report for 2021/22 and Quality Improvement Plan for 2022/23

056.22

Principal's report

Members received the Principal's report which updated the Board on recent sector developments affecting the College's Career Focused Strategy and other College business. In addition, the Principal gave a presentation, which informed the Board on the:

- outcome of the ONS review and the reclassification of colleges to the public sector
- overview of the KPIs currently used
- proposal for a 4.5 day working week
- proposed pay award for staff – see discussion under Budget Review (minute reference 053.22) above.

The Board gave consideration to the proposal for a 4.5 day working week, noting that:

- exploration of this has been ongoing since the summer and both staff and students have been consulted on the proposal
- this consultation with students and staff will continue into the new calendar year and feedback gathered will shape College decisions
- the Senior Management Team (SMT) have continued to explore alternative approaches to establish a more effective timetable for students and to identify efficiency saving opportunities, especially following the effects of the recent energy crisis
- information collated enabled SMT to review options and make a decision to delay the proposed implementation date from January 2023 until after the February half term

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

- the potential savings for the College is circa £150k
- this is being treated as very much a pilot scheme initially and will be closely monitored to establish its impact on students, staff and costs
- in particular, the revised timetable must demonstrate that there was no loss of learning for students
- student members felt that a reduced working week could be seen as a benefit to some students who would be able to better utilise their time with reduced hours in College; as such, it could be seen as a unique selling point for the College
- it was important that new students should be made aware of the proposed new working week as it may influence their decision to join the College in the first place

The Board agreed to the proposal for a 4.5 day working week to be introduced in the New Year.

Due to time pressure, it was agreed that the proposed KPIs would be circulated to members outside of the meeting together with the presentation slides of the updates to the strategic plan. Members were asked to review these and to feedback any comments with a view to agreeing a set of KPIs at the next Board meeting (March 2023).

Whilst it was agreed that the KPIs would be reviewed on an annual basis, the strategic plan and agreed KPIs would be included on the agenda for each meeting of the Corporation for review and discussion on progress.

Resolved

The Corporation Board agreed to:

- receive and note the Principal's report
- approve the College's proposal to introduce a 4.5 day working week from February 2023
- to review the strategic plan and proposed KPIs outside of the meeting for feedback with a further update to be presented at the March 2023 meeting

057.22

Link Governors

Each Link Governor was invited to report on the activities undertaken during the term in their capacity as a Link Governor.

Link Governor for Safeguarding – Ian Hockey

The Link Governor reported that the Quality Committee had reviewed a very comprehensive annual Safeguarding report at their October meeting, which gives assurance to the Board that the College is compliant with its responsibilities in relation to Safeguarding including Prevent and that appropriate actions are being taken in relation to safeguarding students, staff and visitors to the College. As with all members of the Board, the Link Governor advised that he has completed the required annual training for governors on Safeguarding.

Link Governor for Careers and Employer Engagement – Andy Williams

The Link Governor advised that the College had successfully passed a recent matrix accreditation focusing on the careers provision within the College. As he is relatively new to this role, he plans to become more involved in the strategy relating to careers in the New Year.

The Chair of the Corporation took the opportunity to thank the Link Governors for their contribution and the additional time they devote to this role.

Resolved

The Corporation Board noted each of the reports from the Link Governors

058.22

Learner Voice

The student members gave a presentation on some of the activities being undertaken by the students at both campuses during the term.

Members were informed on:

- Learners Voice and SU Events, such as
 - Festival of Student Governance given by the Unloc Student Governor Training Programme at the annual AoC Conference
 - Student Champion training day
 - College Student Conference – Autumn Term
 - Principal's Question Time
- Feedback and comments from events, with key themes emerging such as
 - Communications
 - Safeguarding
 - Mental Health
 - Canteen services
- Feedback review and actions taken
- Changes and improvements – development of SU
- Moving forward – Spring Term 2023

The Board thanked the student members for an excellent presentation, which gave members first hand insight into the activities of students at the College. The Board agreed that the student members have demonstrated strong leadership within the SU and their contribution at meetings, particularly the Quality Committee, is very much appreciated.

Resolved

The Board noted the update from the student members

059.22 Search and Governance Committee

Meeting of the Search and Governance Committee held on 1 November 2022

Members received the unconfirmed minutes of the meeting. The Chair of the Search and Governance Committee reported on the key issues considered at the meeting and those recommended for approval:

- Outcome of Governors' self-assessment for 2021/22
- Update on skills audit and training needs assessment
- Annual review of attendance of members at meeting in 2021/22
- Governors' Development and Training Programme
- Annual Report of the Search and Governance Committee for 2021/22

060.22 Quality Committee

Meetings of the Quality Committee held on 4 October and 6 December 2022

Members received the unconfirmed minutes of the meetings. The Chair of the Quality Committee reported on the key issues considered at the meeting and those recommended for approval:

- Quality Strategy
- Annual Safeguarding Report for 2021/22
- Safeguarding Policy
- Child on Child Abuse Policy
- Equality, Diversity & Inclusion Policy
- Annual Equality, Diversity & Inclusion Report
- Equality Objectives 2021-2023
- ITEC Quality Recovery Action Plan
- Year end KPIs for
 - Achievement
 - Progression
 - Attendance
- HE update for
 - Docklands Academy London
 - Oxford Business College
 - Pearson HND Business Course

061.22 Finance and Resources Committee

Meetings of the Finance and Resources Committee held on 11 October and 22 November 2022

Members received the unconfirmed minutes of the meetings. The Chair of the Finance and Resources Committee reported on the key issues considered at the meeting and those recommended for approval:

- Health and Safety Report Autumn Term 2022
- Health and Policy

- Safer Recruitment Policy
- Financial Regulations
- Annual HR Report for 2021/22
- Financial update – November 2022 including Management Accounts to 31 October 2022
- ESFA Financial update

062.22 Risk and Audit Committee

Meeting of the Risk and Audit Committee held on 29 November 2022

Members received the unconfirmed minutes of the meeting. The Chair of the Risk and Audit Committee reported on the key issues considered at the meeting and those recommended for approval:

- Freedom of Information Policy
- Annual Risk Management Report for 2021/22
- Risk Register – Q2 Headline Risks

063.22 Committees of the Corporation

The Chair of the Corporation thanked each Committee Chair for their reports of the meetings.

Resolved

The Corporation Board:

- Notes the reports of the Chair of each of the committees of the Board
- Endorses the approval by each committee of the key issues considered and approved at the meetings

064.22 Any Other Business

The Principal advised that the College would be hosting a Ministerial visit from Sir Robert Halfon, the Minister for Skills, Apprenticeships and Higher Education at the Xtend campus. The Board agreed that it was pleasing to have such a high profile visit to showcase the College.

There was no further other business.

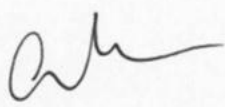
065.22 Schedule of Meetings 2022/23

Tuesday 7 February 2023 – Training & Development
 Tuesday 28 March 2023 – **main Corporation Board**
 Tuesday 9 May 2023 – Training & Development
 Tuesday 11 July 2023 – **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 Instrument and Articles of Government and with Section 40 of the Freedom of Information Act 2000, to the independent members of the Corporation Board.

SIGNED AS A CORRECT RECORD:



DATE: 28 March 2023