



**MINUTES – PART 1
CORPORATION BOARD**

Date: Tuesday 14 July 2020

Time: 6:00pm

By Microsoft Teams

Chair	Martin Cumella
Corporation Members	Andrew Edwards, Andrew Hughes, Bobby Seagull, Claire Helman, David Surdeau, Ifran Umarji, James Beckles, Julianne Marriott, Lorraine Reader, Lloyd Johnson, Mubin Ahmed, Paul Stephen (Principal), Quintin Peppiatt, Richard Matovu
In Attendance	Deputy CEO: Janet Gardener Chief Operating Officer (COO): Judith Abbott
Clerk to the Corporation	Judith Nelson

Item No	Item of business
PRELIMINARY PROCEDURAL MATTERS	
1.	Chair's Welcome & Opening Remarks The Chair thanked and welcomed governors to the final meeting of this academic year.
2.	Apologies For Absence <ul style="list-style-type: none"> • Julianne Marriot
3.	Declaration of Interests <ul style="list-style-type: none"> ▪ Martin Cumella / Paul Stephen, Lloyd Johnson, Quintin Peppiatt: in respect of the Learning Revolution Trust ▪ Paul Stephen, Andrew Hughes: in respect of Digital Skills Solutions Limited ▪ Quintin Peppiatt: in respect of the London Borough of Newham ▪ James Beckles: in respect of the London Borough of Newham
4.	a. Minutes of the Last Meeting held on 10 December 2019 <i>RESOLVED: The minutes were approved as a true and accurate record.</i> b. Matters Arising and Action Points from the Meeting All matters were covered during the meeting.
5.	Principal's Report The Board noted: <ul style="list-style-type: none"> ▪ Newham College is now ranked as the top performing college in London for overall achievement rates with an achievement rate of 90.9%. ▪ Between March 23 and June 12 all teaching was delivered on-line. Staff and students have responded magnificently to on-line learning, with exceptional levels of virtual attendance and engagement. ▪ The College re-opened for invited students only from 15th June, following an extraordinary meeting of the Audit & Risk Committee to review the College plans. Attendance was close to 100% for students completing practical assessments, and very much lower for SEND learners whose parents and carers chose to keep their children at home. Overall, 40% attendance for those students invited back. ▪ It has been an enormous undertaking to create the evidence base and rankings student by student, and the curriculum and quality teams deserve credit for overseeing this complex process whilst transitioning fully to on-line model teaching.

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	<ul style="list-style-type: none"> ▪ Subject to local and national health trends, in September the College is aiming to deliver blended face-to-face and on-line teaching from the outset, so that students can build their relationship with the College, assessing any additional support needed for virtual teaching as this becomes necessary. The Audit & Risk Committee will be invited to further review the operational and risk management arrangements before the start of teaching in September. ▪ IoT: The Mayor of London announced on 24 June the launch of a 6-week consultation to relocate City Hall to the Crystal in the Royal Docks Enterprise Zone. The Crystal had been the intended location for the London City Institute of Technology (LCIoT) until that point. ▪ Prior to the Mayor's announcement, the lease arrangements were still under negotiation that would protect the College's commercial interests and all parties were working in good faith to achieve a mutually acceptable arrangement. ▪ Further conversations will be held with partners and stakeholders, the Principal will be visiting two sites at the end of the week based in Royal Docks
CORPORATION BUSINESS	
6.	<p>Governance & Membership</p> <p>a. Appointment of Student Governor – Daniel Abraham <i>RESOLVED The Board unanimously approved that Daniel Abraham be appointed student Governor of the Corporation Board with immediate effect for a three year term of office.</i></p> <p>b. To Note the Resignation of Linda Jordan The Board noted the resignation of Linda Jordan. Linda was a long-standing member of the Corporation Board and on behalf of Governors the Chair extended his appreciation for her continued commitment to Newham College. Governors <i>RESOLVED to approve to:</i></p> <ul style="list-style-type: none"> • <i>extend the governor position of Quintin Peppiatt's until July 2021.</i> • <i>appoint Quintin Peppiatt as Chair of Curriculum & Quality Committee with immediate effect.</i> • <i>note that Quintin Peppiatt's had resigned as a member of the Audit & Risk Committee with effect from June 2020.</i> • <i>Re-appoint Lloyd Johnson and Lorraine Reader for a further term of office (3 years) with immediate effect.</i> <p>c. Search Committee - Board Membership Update The Board noted the Clerk was leading on a governor recruitment campaign, the skills required for this recruitment was an educationalist and succession planning for a Chair of the Curriculum & Quality Committee. In total 3 prospective governors will be recommended for appointment to the December Board. <i>RESOLVED the Board approved for the Clerk to engage with the AoC Executive Recruitment.</i></p>
THE EFFECTIVE AND EFFICIENT USE OF RESOURCES, THE SOLVENCY OF THE INSTITUTION & SAFEGUARDING THEIR ASSETS	
7.	<p>FINANCE & RESOURCES COMMITTEE BUSINESS (FRC)</p> <p>a. Draft Budget 2020-2021 The Board noted the proposed budget had been scrutinised by Finance and Resources Committee at its meeting of 1 July 2020 and recommended for Board approval:</p> <p>Important developments to note since the FRC which will improve the cash position and financial health this year and in the budget:</p> <ul style="list-style-type: none"> ▪ Newtec have secured their commercial loan, enabling them to repay their debts to the College (circa £560k) and DSS (circa £110k). The College has reforecast its cash flow to reflect this, and improvements in operating cash since its previous forecast.

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	<ul style="list-style-type: none"> ▪ It had forecast income not covered by grant guarantees very prudently. Continuing to receive more than initially anticipated post-lockdown; separation costs for restructuring are lower than provisioned due to a lower than anticipated age profile of individuals and fewer pension costs; furlough savings have continued longer than originally anticipated; and non-pay costs have reduced very significantly as budget holders have heeded instructions to spend only on critically important items. ▪ Year-end cash flow is now forecast at £3.1 million (or 36 cash days). At this level and with no other changes, this would take financial health to Requires Improvement. A reforecast income and expenditure, with the new cash-flow forecast will be included in the June management accounts. ▪ A capital grant is now anticipated in September 2021 which is expected will cover £500k of capital expenditure included in the budget. This will improve next year's cash flow. ▪ The College has scheduled meetings with both Lloyds Bank and Barclays to ensure any necessary Covid-related covenant waivers are in place before the balance sheet date. ▪ The budget commentary and schedules are unchanged since FRC although the final submission to the ESFA will reflect the above changes and outcomes from various meetings. <p>Noteworthy points:</p> <ul style="list-style-type: none"> ▪ The impact of Covid-19 has had a catastrophic impact on the College's financial position in 2019/20 and will continue to be felt through 2020/21, making this a particularly difficult year to plan for. ▪ The draft budget has been prepared following modelling of a range of scenarios in connection with seeking a Bank loan (shared with FRC in May) and represents a mid-range scenario. The College recognises there are both known and unknown risks and opportunities to this position, coupled with little margin of error based on the current cash flow position. Key to delivery of this budget will be rapid responses to changing events and ensuring that the cost base reflects deliverable income at any time. ▪ The commentary has been prepared in line with the requirements of the ESFA and based on their template. It focuses primarily on the College activity although the budget that is submitted to the ESFA will be at the Group level, including DSS but excluding Newtec. <p>Staff Governor asked if there was a second waive of COVID, what the turnaround time would for issuing a device / laptop for our looked after children (LACs). The COO advised that the LACs receive their laptop / device direct from the London Borough of Newham. Next year's capital budget and support funds will allow for a bigger pool of laptops and as part of the enrolment process, learners will be asked if they have access to a device / smart phone, this is in turn will better inform the College of the need for the devices for our learners.</p> <p>Governors also raised their concerns regarding the apprenticeship delivery, which appears to be a risk area that needs to be monitored.</p> <p>RESOLVED: The Board approved the draft budget 2020-2021</p> <p>b. Draft Capital Budget 2020-2021 The Board noted the proposed capital budget had been reviewed by Finance and Resources Committee as its meeting of 1 July 2020 and recommended for approval.</p> <p>RESOLVED: The Board approved the draft capital budget 2020-2021</p> <p>Noteworthy points are as follows:</p> <ul style="list-style-type: none"> ▪ A rationale for Lloyds Bank rejecting the College's request for additional loan funding was the poor condition of its estate which the Bank perceived as a risk to sustainability of the College.

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	<ul style="list-style-type: none"> ▪ The College recognises the need to address long-standing estates capital maintenance needs at pace. It also needs to accelerate replacement/upgrade of its IT hardware, and establish a rolling programme of replacements. This is particularly essential in a post-Covid19 world which is heavily reliant on robust IT infrastructure. ▪ The priorities for 2020/21 and beyond were noted, subject to affordability. Excluding the already-approved low energy lighting project, funded by an approved interest-free Salix loan, a capital budget of £1.2 million is proposed for 2020/21. This is included in cash flow projections for the year. ▪ The government has announced £200m specifically for capital repairs and upgrades to colleges this year. It has been confirmed there will be no need to bid for the funds which will be allocated according to a formula, which is yet to be published. Of the £1.2 million of capital expenditure proposed for 2020/21, £500k would meet the criteria for this grant funding. It seems reasonable to assume that the College's share of £200m would be at least £500k by any allocation means, so the cash flow forecast will be updated to include this amount as a forecast grant before it is submitted to the ESFA. ▪ The College will delay placing orders for capital works that would be covered by this grant, until the terms of the grant are clear. It is understood that the monies will need to be expended within the financial year to March 2021, so the College is currently obtaining quotations for additional work beyond this budget to enable it to act swiftly if the opportunity arises. ▪ A further update since writing the draft capital budget paper; the workshop roof has been repaired, 1 out of a cluster of 6 boilers at East Ham campus has failed, therefore the College will pull ahead with the works on the boilers ahead of winter. In addition to the £400 capital investments, there is mixture of procuring laptops, IT equipment, IT infrastructure and a new telephone system, with a further £300k for reconfigurations, this is in the full £1.2m. ▪ Lloyd Johnson will share his telecommunication contact with the COO for consideration. <p>c. Financial Plan 2020-2021 to 2021-2022 The Board noted:</p> <ul style="list-style-type: none"> ▪ The financial plan had been reviewed by Finance and Resources Committee on 1 July 2020 and was recommended for approval. ▪ The College is not required by the ESFA to submit a financial plan for 2021-22 at this stage, however due to the weakness of the College's current financial health it is important to evidence an overall financial plan that demonstrates full recovery. ▪ The Income and Expenditure, Cash Flow and Balance Sheet schedules for both years of the financial plan are shown in the attachments to the draft budget paper. ▪ Year 2 of the plan does not assume any year on year growth beyond recovery of other income streams (Fashion & Textile Museum, catering) to their pre-Covid19 forecasts. ▪ Based on the assumptions in the Plan, the College is forecasting an adjusted operating surplus of £758k and education-specific EBITDA of £2,476k (ie excluding pension adjustments) and a return to 'Good' financial health. This will be at the low end of 'Good' leaving no margin of error on delivery which could be significantly impacted by uncertainties in 2020/21. <p>d. ESFA Loan Arrangements The Board noted:</p> <ul style="list-style-type: none"> ▪ Following the unsuccessful application in securing a CBILS loan from Lloyds Bank, on 29 May 2020, the College submitted a draft business case for a loan to its relationship team at the ESFA. ▪ The cash position was reviewed at a meeting on 7 July between PMO, ESFA and the College. ▪ Based on this projection it was concluded there was no need for a formal request for emergency funding at this time. The PMO team advised that they would be contacting colleges in September post-enrolment to get an indication of progress versus budgets,

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	<p>recognising that the year ahead was a difficult one to forecast accurately.</p> <ul style="list-style-type: none"> ▪ The meeting also provided a good opportunity to brief the ESFA and PMO on plans to address concerns with subsidiaries including write down of DSS loan and share value, which they broadly supported.
8.	<p>AUDIT & RISK COMMITTEE BUSINESS (A&R):</p> <p>a. Internal Audit Plan 2020-2021 The Board noted:</p> <ul style="list-style-type: none"> ▪ The draft internal audit plan had prepared by Scrutton Bland based on their analysis of the College's Risk Register as at May 2020 (i.e. post-Covid). It offers good coverage of most risk areas, however there are other considerations for 2020/21 which will be a uniquely challenging year: <ul style="list-style-type: none"> ○ 49.5 audit days is relatively high compared with college benchmarking data with circa 35 days being a benchmark figure ○ The College needs to save money in what will be a very difficult year, while still retaining strong controls ○ The College needs to set aside some funds (£10k) for specialist penetration testing/audit of our IT security network (which has been woefully inadequate for decades) as part of its preparation for gaining Certificate of Cyber Essentials which is a condition of funding; it will most probably use JISC for this specialist technical work. <p>In order to achieve the above, it was suggested to:</p> <ul style="list-style-type: none"> ○ Delete Business Continuity audit which overlaps somewhat with both the Corporate Governance audit and the technical cyber security penetration testing audit - saves 3 days ○ Delete or defer Estates Management audit - there will be little to review on accommodation strategy which is wholly dependent on the shape of the government £1.5bn capital fund, and the College is confident that it is in good shape on the planned preventive maintenance and other elements. While it would be nice to get a strong audit rating, it is probably not best use of funds right now. Saves 4 days ○ Defer Strategic Planning audit by a year since what happens next year with Covid could impact on longer term strategy - saves 3 days ○ Scale back the remaining 4-day audits to 3 days to ensure we get proper coverage of the areas identified but at a level we can afford - saves 4 days ○ Reduction of review days proportional to above reductions - saves 1.5 days <ul style="list-style-type: none"> ▪ This would give an internal audit programme of 34 days and good coverage of key risk areas while recognising the need to reduce cost and set funds aside to cover cyber essentials as a top priority. ▪ Audit & Risk Committee scrutinised the proposals and the above suggested amendments at its meeting of 23 June 2020, and recommends the amended plan for Board approval. It is intended that the internal audit plan is flexible and responsive to College needs so if priorities and risks change in-year, the plan will be revisited. <p>RESOLVED: The Board approved the amended internal audit plan 2020-2021</p> <p>b. External Audit Plan Year ending 31 July 2020 The Board noted:</p> <ul style="list-style-type: none"> ▪ The external audit plan was presented to the Audit & Risk Committee by RSM as its meeting on 23 June 2020. ▪ The audit time-line was agreed with the College and the fee price was negotiated down to exclude an increase for going concern testing which had originally been proposed by RSM. <p>RESOLVED: The Board approved the amended internal audit plan 2020-2021</p> <p>c. Risk Register Update The Board noted the risk register had been reviewed and approved by the Audit and Risk Committee at its June meeting, and governors were invited challenge this update:</p>

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	<ul style="list-style-type: none"> ▪ It was anticipated some risks will improve by year-end, noting other risks have crystallised as a result of Covid19. ▪ Overall, despite adapting relatively well to remote working and teaching/learning, the risk outlook for the College has clearly deteriorated significantly as a result of Covid19. ▪ The College has seized the opportunity to drive much-needed change in ways of working online and to improve our systems and network infrastructure at a much-accelerated pace. ▪ The risk register for 2020/21 will be developed in parallel with the, it is anticipated many of the current year risks will continue into next year.
THE DETERMINATION AND PERIODIC REVIEW OF THE EDUCATIONAL CHARACTER AND MISSION OF THNSTITUTION AND THE OVERSIGHT OF ITS ACTIVITIES	
<p>9.</p>	<p>CURRICULUM & QUALITY:</p> <p>a. In Year Performance Report 2019-2020 The Board noted the key headlines as follows:</p> <ul style="list-style-type: none"> ▪ Overall College in year retention is 97%; 5.5% above national rate; 2.5% above the retention rate for the same period in 2018/19. ▪ In year overall achievement is at 89.5%; 3.5% above national rate and 17.3% above the same period for 2018/19. ▪ In year retention rate for 16-18 cohort is 95.4%; 2.7% above the same point in 2018/19. ▪ Retention rate for adults is 97.6%; slightly below the same period in 2018/19 by 0.2%. ▪ Attendance is 87.3%; 1.9% above the same point in 2018/19 (new online learning register marks are included in this calculation). <p>The Board noted the overall continued strong performance of the College in-year and approved further actions to take place, in order to continue to support achievement, whilst closely monitoring performance through to the final outturn for 2019/2020.</p> <p>Chair commended the Deputy CEO and the senior management on the extraordinary work carried to ensure blended learning was fully embedded teaching and learning delivery.</p> <p>b. Curriculum & Quality Impact Report The Board noted:</p> <ul style="list-style-type: none"> ▪ A strategic partnership has been developed with Barts NHS Trust (Barts) to open a joint Skills Talent Hub based at the College's Stratford Campus. The Trust, with support from the College, has been successful in a bid to fund the capital works and equipment for the project from the GLA. The Hub will accommodate both NHS and College staff and will allow a central point for careers in NHS, moving people into work, apprenticeships and supporting existing NHS employees to progress within their careers. It will also act as a flagship centre to launch the T level in Health Sciences due to start in September 2021. Barts have agreed to be the main sponsor employer for the T level for Newham College. ▪ The progress of the Hub delayed due to late issuing of the contract by the GLA and Covid-19. The Service Level Agreement (SLA) with the College has now been agreed and signed, plans for the relocation of the Hub and associated works is in place, anticipating work will progress in readiness for a January 2021 opening. ▪ The College had successfully applied for the Innovation Fund to support the upskilling of NHS staff linked to the Hub, which resulted in an additional £500k in AEB funding; £200k was awarded in 2019/20 and £300k in 2010/21. ▪ It was pleasing to note, the College continues to make good progress and the impact has been demonstrated in many areas. There continues to be challenges to ensure the quality across all areas of the College are consistently high, acknowledging the quality team continue their support for improvement. <p>Governors gave a vote of thanks to Janet Gardner, Deputy CEO for her contribution and dedication to Newham College, wishing her every success in her new post.</p>

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10.	<p>Meeting Schedule for 2020-2021 @ 6pm Governors noted the dates of forthcoming board meetings as follows:</p> <ul style="list-style-type: none"> • 06 October 2020 • 15 December 2020 • 30 March 2021 • 20 & 21 May 2021 (Annual Board Conference – venue tbc) • 13 July 2021
11.	<p>Any Other Business None recorded.</p>
<p>Students and Staff Officers were are asked to leave for Part 2 of the meeting</p>	