

Minutes of the meeting of the Board of Governors held on **20 May 2020**.

**Present:** Bob Harrison (chair), Clive Macdonald, Yultan Mellor (Principal), Mike Bramhall, John Edwards, Colin Forrest, Liz Stanley, Neil James, Ken Richardson, Kate Fleming, Ann Corrigan (up to and including min B20/4), Frank Lord and Tim Thornton.

**In attendance:** The Assistant Principal – Finance and Business Services (Joy Whistlecraft), the Assistant Principal – Student Experience (Diane Lawson), the Assistant Principal – Curriculum, Quality and Market Development (Emma Beal), the Head of Human Resources (Elin Longley) and the Clerk to the Governors (Sarah Johnson).

**Apologies:** Catharyn Lawrence

**B20/45**     **DECLARATIONS OF INTEREST**

None.

**B20/46**     **CHAIRS' INTRODUCTION**

The chair introduced the extra ordinary meeting which had been scheduled to enable the Board to consider:

- the impact of new funding rules issued by the ESFA on 6 May 2020 on the College's financial planning for 2020/21 – 2022/23;
- the resulting position within the context of devolution in the Sheffield City Region from September 2021;
- options to address the position, implications for the College and actions required to ensure timely and effective implementation.

**B20/47**     **FINANCIAL PLANNING 2020/21 – 2022** (Document 2i)

The Board considered a draft financial plan for 2020/21 – 23 and were provided with an update in relation to the DfE review of residential funding and a summary of the implications for the College arising from the funding guidance for 2020/21 issued by the ESFA on 6 May 2020. It was noted that:

- the plan had been considered by the Policy and Finance Committee at its meeting on 14 May 2020 and the Chairs' Committee at its meeting on 15 May 2020;
- those governors not involved in either committee had been given the opportunity to discuss the position with a co-chair or the Principal prior to the meeting.

**B20/48**     The Board was provided with an update regarding developments since the last meeting, it was reported that:

- whilst the DfE had agreed to defer its review of residential funding due to the current pandemic situation the ESFA had issued funding rules for 2020/21 which mirrored those referred to by the DfE through its review to date;
- the revised rules had clear implications for the College and its curriculum plan and funding for 2020/21 and beyond;
- the key issues related to the uplift for residential provision and how this should be applied and the basis on which a student would be judged to be eligible to access residential provision;
- the College was yet to receive the promised summary of the data provided by the four residential Colleges from the DfE as promised in March.

**B20/49**     The Board considered the impact of the changes on the financial plan and the actions taken to mitigate the impact to date in detail, noting that:

- actions to date had resulted in a reduction to the initial forecast deficit of £1m to £710K;
- however current efficiencies were not sufficient and more work was required;
- potential further actions which would be considered by management included:

- further simplification of the catering offer;
- further maximisation of income via the ILR;
- the current delivery model for the College's childcare offer;
- maximising efficiency savings;
- staffing efficiencies and restructure;
- further curriculum redesign and the development of blended delivery which was symbiotic with residential learning.

**B20/50** The Board explored the options and implications in detail, particularly:

- whether the plan presented included any restructuring costs – it was reported that some costs based on a curriculum restructure only had been included but these were estimated at this stage and it was hoped that a programme of voluntary redundancy would bring some costs forward into 2019/20;
- the trading deficit in the current plan - noting that this was currently £600K for both 2020/21 and 2021/22;
- whether investment in the College's digital infrastructure had been sufficiently included in the plan;
- the robustness of the project income assumptions – noting that the income did not relate to bidding for discrete pots of funding but growth of full cost teaching and learning provision which should be sustainable into the future, a significant proportion of which would be HE;
- how residence could be incentivised and sustainable into the future;
- the development of blended and online provision which would be critical for both delivery through the summer and into 2020/21;
- closure of the bar and the provision of alternative options for students to socialise – noting that space to socialise would continue to be provided but in a more cost effective way which did not include alcohol;
- depreciation, noting that there was limited current capital work taking place, depreciation costs were decreasing naturally and currently stood at approximately £200K, but this would increase if the College started to reinvest in hardware or undertake any building works;
- the strategy for communication with staff and the broader stakeholder group, noting that as the strategy of the College was not changing there was no plan to proactively communicate internal management changes externally unless there was a need to respond to anything raised.

**B20/51** The Board considered the College's planned future curriculum, noting:

- the current delivery, development and planning taking place in relation to blended and online delivery models;
- digital exclusion and how this could be addressed;
- staff skills and development needs;
- the challenges associated with the long term development of a genuine blended approach.

**B20/52** The Board agreed:

- it had a high degree of confidence in the College's leadership team to creatively achieve the solutions required;
- investments in staffing over last twelve months had put the College in a strong position to manage this transition period;
- there was an appropriate emphasis on the existing educational character, mission and strategy of the College;
- the developments and changes planned had already been included in the College's strategy, and the current situation had just accelerated the implementation of them in some areas;
- that the timescale was challenging but not unrealistic in the circumstances, and
- the College had strong political backing locally and this should be further developed where ever possible; but that
- the plan should include appropriate investment to future proof the College;

- the current high quality student experience and outcomes must be maintained;
- further clarity regarding how the planned diversification of income would be achieved was required;
- a clear timeline with key milestones was required;
- the College must capitalise on opportunities arising from devolution in both Sheffield City Region and West Yorkshire;
- the achievement of project income would need to be closely monitored.

**B20/53** The Board explored and supported the issuing of a voluntary redundancy offer, noting that it may offer up alternative restructuring solutions not yet considered.

**B20/54** The Board noted that the next steps would be:

- appropriate consultation at the College's JUM meeting on 21 May 2020;
- issuing of an invitation for staff to apply for voluntary redundancy on 22 May 2020;
- presentation of an updated financial plan to the Policy and Finance and Chairs' Committees at their meetings in June 2020;
- commencement of consultation regarding any restructuring activities required in early July 2020;
- presentation of the final financial plan for approval at the meeting of the Board of Governors on 9 July 2020.

**B20/55** **Resolved:**

- i That the financial implications for the College arising from the ESFA funding guidance for 2020/21 issued on 6 May 2020 be noted.**
- ii That the Executive Leadership Team present for approval at the Board meeting in July 2020 a financial plan that sees the College return to, as a minimum, a balanced budget by 2022/23.**
- iii That in order to achieve the plan in a timely manner the Board supports the implementation of a programme of new curriculum delivery, income generation, investment and cost savings (including staffing restructure where appropriate) which aligns with the College's educational character, mission and strategy.**
- iv That the Board supports the immediate issuing of an invitation for expressions of interest in a voluntary redundancy package to all College staff.**

**B20/56** **DATES OF THE NEXT MEETINGS**

9 July 2020 – 11.00am

1 October 2020 – 11.00am (development session 10.00am to 11.00am)

17 December 2020– 11.00am (development session 10.00am to 11.00am)

11 March 2021– 11.00am (development session 10.00am to 11.00am)

15 July 2021– 11.00am (development session 10.00am to 11.00am)

Signed		Date	
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