

Draft

North Hampshire Education Alliance

NHEA Board of Trustees - Board meeting

Minutes of a Meeting held on 15th September 2020 at 6.00pm
Meeting held using video conferencing via Microsoft TEAMS

Trustees	Mr Jon Soar - Chair of Trustees Mrs Ali Foss – CEO, Principal of QMC Mr Steve Lutener Ms Julie McLatch Mr Mike O'Dwyer Dr Janice de Sousa Mr Pete Stagg Mrs Jean Thorpe	(8/9 quorate)
In Attendance:	Mr Mark Henderson, Deputy Principal Mrs Jane Coleman, Director of Finance Dr Toni Baldwin, Company Secretary	

WELCOME AND APOLOGIES FOR ABSENCE

1. Apologies for absence were received from John Wright.

Jon Soar reminded the Board that this meeting was in addition to the usual schedule of meetings as the date for submitting the 2019/20 budget to the ESFA had been delayed, for all schools and colleges, from 31st July to 29th September 2020.

2. **DECLARATIONS OF INTEREST**

There were no declarations of interest.

3. **ELECTION OF CHAIR AND VICE CHAIR**

The Company Secretary took over chairing the meeting and invited nominations for the roles of Chair and Vice-Chair of the North Hampshire Education Alliance.

- Jon Soar was re-elected unanimously and unopposed as Chair of the Trust for a period of 1 year from 1st September 2020 (proposed Mike O'Dwyer, seconded Steve Lutener)
- Julie McLatch was re-elected unanimously and unopposed as Vice-Chair of the Trust for a period of 1 year from 1st September 2020 (proposed Jon Soar, seconded Pete Stagg).

Jon Soar took back over chairing the meeting.

4. **MINUTES FROM PREVIOUS BOARD MEETINGS**

NHEA Board of Trustees Meeting – 7th July 2020

The Board approved the minutes from their meeting on 7th July 2020 as an accurate record for signature by the Chair (paper NHEA 1/20 circulated with the agenda).

Minute 61.1: The Board noted that the revised Bank Loan Covenants, as discussed and approved at the previous Board meeting, had been confirmed and signed by Jon Soar on behalf of the Trust within the 2019/20 financial year.

All other matters to be covered during the meeting.

5.1 **UPDATE FROM THE CHIEF EXECUTIVE**

Ali Foss gave a presentation to the Board covering agenda item 5 (Update from Chief Executive) and agenda item 6 (Arrangements for the start of 2020/21)

2020 examination Results

Ali Foss reminded the Board of the national issues regarding the summer 2020 examination results which they had been briefed on at the time. As the examinations had been unable to take place, grades had initially been calculated using the prior performance of the College and an algorithm which had resulted in some serious anomalies for students and a negative value added score for the majority of QMC subjects. Following a national outcry these results had been replaced with the Centre Assessed Grades (CAGs). Ali Foss went on to highlight a number of success stories for QMC students including both high fliers and students who arrived at QMC with below average GCSE grades but had flourished at QMC. The Board noted that the process for students appealing against their examination grades had been changed but that now that CAGs were being used for grades the number of students appealing had decreased significantly (a reduction from 132 to 10). In response to a question from one of the Trustees, Ali Foss reported that most QMC students who wanted to now had a university place - including all those going on to do medicine.

5.2 **Arrangements for the start of 2020/21**

Ali Foss reported on the start of term, there had been a number of new staff and the College now had two new assistance dogs who were in the process of being trained. Ali Foss reminded the Board of the current covid-19 adaptations as set out in the Hazard and Risk Assessment that had been discussed in detail and approved at their last meeting. The Board noted some updates to the risk assessment in line with more recent government guidance (paper NHEA 2/20 circulated with the agenda). The Board were pleased to hear that adaptations (screens, barriers, sterilisation stations) were in place across the site and that students had adapted well to the health and safety arrangements including one way systems, mask wearing in communal areas and the new timetable.

5.3 Ali Foss reported on how the new timetable was working. The Board recalled that the College had started the term using a 'blocked' timetable which was previously only used during 'deep dive' weeks. The Timetable consisted on two long lessons each day with a long lunch time to enable buses to drop and collect students. Ali Foss reported that the initial plan had been to alternate face-to-face and virtual learning for the first few weeks of term but that both first and second year students had settled in well and with the social distancing measures in place all students had returned on site. The Board heard that the timetable reduced the number of students on site at any one time and that College was putting on enrichment activities during the long lunchtime for those students who had both a morning and afternoon lesson. Initial feedback from both staff and students on the timetable had been positive and an Inset day had been planned for 5th October to review this way of working. Ali Foss reported that although most staff and students were pleased to be back there was also an underlying nervousness regarding the risks involved in opening up the site and returning to face-to-face activities.

5.4 Ali Foss reported on some of the other challenges for 2020/21:

- Prior achievement, particularly in English and Maths was higher than usual and the College was therefore making sure that all students' basic skills were good enough for them to progress well on their chosen courses. The additional staff capacity released by not running so many GCSE classes was being used for this.
- There was currently a shortage of Covid-19 tests both nationally and in Basingstoke leading to staff having to be isolating off site waiting for themselves or family members to be tested.

5.5 **2020 initial enrolment summary**

The Board noted a summary of enrolments by school. Applications had been good, however, the College had been unable to get students on site for their normal conversion events and enrolments from Basingstoke schools were down. Enrolments from other partner schools and schools outside Basingstoke were higher than expected but overall student numbers were down slightly on 2019. Mark Henderson reminded the Board that QMC had had increased numbers of students from schools in Newbury, Reading and particularly Fleet. The Colleges two new courses in Esports and Childcare had also recruited well. The Board heard that the marketing and admissions teams were currently planning recruitment for 2021 to take place mainly through virtual events.

5.6 Ali Foss ended her presentation by reminding the Board of the values and priorities as set out in the current NHEA strategy and reported that College staff were starting the new year with improved skills in virtual teaching and learning and with increased resilience. Trustees asked a number of questions regarding the start of term and the issues raised in the presentation:

- How was the wellbeing hub going? The wellbeing hub was working well and with the learning support team there was a strong safety net for students. The two wellbeing dogs were siblings each owned by a member of staff. The dogs were currently being trained to be on site
- Was there any funding for enrichment? Lunchtime enrichment activities were being run by a number of staff on a voluntary basis and included, yoga, mindfulness, science club and 'Autumn Watch'.
- Staffing? Earlier in the week there had been 5 members of staff off waiting for members of their family to be tested. All teaching staff were able to teach from home virtually.

Ali Foss reported that should the College have to close again second year students would move straight to online learning as before and work was currently taking place to get all the first year students set up on google classroom and trialling online working.

The Board thanked Ali Foss for her presentation.

6.1 **FINANCIAL ISSUES**

Management Accounts to end July 2020

The Board noted the Management Accounts to the end of July 2020 along with an executive summary (papers NHEA 3/20 and 4/20 circulated with the agenda). Jane Coleman reported that the July accounts were as expected and highlighted the impact of Covid-19 which was monitored separately in the Management Accounts. The Board noted that some of the Trust's staff remained on furlough and were being funded through the governments' Coronavirus Job Retention Scheme. In response to a question, Jane Coleman reported that the KPIs would change for 2019/20 onwards to match the new Bank Covenants.

6.2 Update on year end

Jane Coleman reported that the Trust had already had an interim audit carried out remotely. This interim audit had been more thorough than expected and had hopefully covered off issues that would now not need to be reviewed in October when the main audit was due to take place.

6.3 Draft Budget 2020/21 and financial forecasts to 2023/24

Jane Coleman gave a presentation on the draft budget highlighting key issues.

- Student numbers were down for 2020, however, due to lagged funding the ESFA income for 2020/21 was set using 2019 student numbers. The impact of 2020's reduced student numbers would be seen in 2021/22.
- ESFA income had increased for 2020/21 due to an increase in the national funding rate, improvements in retention, maths and English funding and the high value course premium.
- The impact of Covid-19 on the budget included loss of commercial income, additional bus services (at lunchtime) additional catering contract costs and additional cleaning. These would be recovered where possible – the Trust was using the job retention scheme and HCC had agreed to cover additional bus costs till half term.

The Board noted that both a cost saving target of £100k within the support staff budget and an additional £70k of premises expenditure were included within the assumptions. The 2020/21 budget including covid-19 adjustments resulted in an overall deficit of £48k excluding depreciation.

6.4 Turning to the financial forecasts Jane Coleman reported that, with decreased student numbers, the forecast for 2021/22 was currently a deficit but that demographic trends suggested that student numbers would increase from 2021 onwards and there was therefore an assumption that funding would increase from 2022/23 onwards. The forecasts suggested that the Trust finances would be challenging for both 2021/22 and 2022/23 before the effect of the increase in learner numbers worked through.

6.5 The Board noted KPIs against the requirements of the new Loan covenants for both 2019/20 and 2020/21. Financial Performance within both years were within the covenants. Jane Coleman reminded the Board that these figures would change when the final loan payment for the Allen Building was paid during 2020/21. The Board discussed a number of areas within the budget including staffing. Ali Foss reported that there would be some organisational restructuring, however, the College did not want to lose many good teachers and a decision might be made to fund a slight overstaffing from reserves. For example, there was increased capacity in Maths and English staff as there were fewer GCSE retake classes this year. The Board noted that the higher GCSE results had also resulted in a decrease in Maths and English GCSE funding for the College.

6.6 In response to questions Jane Coleman reminded the Board that although the Trust budget showed a small deficit (excluding depreciation) this was due to covid-19 adjustments and would be covered by the Trusts reserves. Other schools and Colleges were facing similar situations and the Budget as set out was not expected to result in any additional financial oversight.

Following further discussion the Board **resolved to approve the budget and financial forecasts as set out for submission to the ESFA by 29th September 2020.**

JCN

6.7 QM Leisure – Subsidiary Company

The Board noted that, following their approval at the last meeting, QM Leisure had been incorporated to start trading on 1st September 2020. Mike O'Dwyer, Ali Foss and Jane Coleman had been registered as directors and Toni Baldwin as the Company Secretary. Jane Coleman reported that the company had a separate bank account and would be set up as a separate ledger within the finance system. The Board noted that Jane Coleman was in the process of stripping out the income and expenditure from the main Trust accounts. One of the Trustees asked about staffing for the company and Jane Coleman reported that all staff would remain as NHEA employees and that a service level agreement would be put in place to cover staffing, management services etc.

7.1 **AUDIT ISSUES**

Internal Audit Programme 2020/21

Steve Lutener reminded Trustees that the Internal Audit programme for 2019/20 had been paused when the College shut down due to the Covid-19 pandemic. The Board noted a revised internal Audit Programme for 2019/20, 2020/21 and 2020/21 (paper NHEA 6/20 circulated with the agenda). Steve Lutener reported that the proposed programme for 2020/21 included Key financial controls and learner numbers which had been delayed from 2019/20 along with a one day follow up of the Cybersecurity assessment that had taken place in early 2019/20 to check that documentation was now in place. Jane Coleman reported that the remaining audits for 2019/20 would be student support services (which had been in the previous three year plan) and Estates which had been added to the plan due to the increased spending in this area over the last few years. The Board noted the draft plan for 2021/22 which included a review of HR processes to take place following the implementation of a new HR system.

- 7.2 One of the Trustees asked about the costs of the 2019/20 Internal Audit Service and Jane Coleman reported that TIAA had provided a rebate for the incomplete year.

Following discussion the Board **resolved to approve the Internal Audit Plan for 2020/21 as set out in the paper.**

8.1 **GOVERNANCE ISSUES**

The Board noted the current memberships for both the Board and Local Governing Body (paper NHEA 7/20 circulated with the agenda). Jon Soar reported that there was currently a space for a Trustee on the Board.

The Board noted that the annual conformation statement for Companies House had recently been completed and Toni Baldwin reminded Trustees that they would be required to complete their annual update of the Register of Interests.

9.1 **ANY OTHER BUSINESS**

None reported

66. **DATES OF FUTURE BOARD MEETINGS**

Tuesday 13th October 2020 6pm

Thursday 10th December 2020 6pm

Saturday 30th January 2021: Annual Strategy Day (details to be confirmed)

Tuesday 30th March 2021 6pm

Wednesday 19th May 2021 6pm

Tuesday 13th July 2021 6pm

Jon Soar thanked the Trustees and the meeting ended at 7.30.

Approved by the Board on 13th October: Jon Soar (Chair of Trustees):

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SUMMARY OF ACTIONS	Timescale	Responsibility
6.6: Submission of budget and financial forecasts.	29 st Sept 2020	JCN

Toni Baldwin
Company Secretary, North Hampshire Education Alliance