

**Meeting of LSEC Corporation (Board Development)  
held on Thursday 26 January 2023 from 5.15-7.45pm  
in person at Orpington Campus Room C1/C2**

**Corporation Governors**

David Eastgate (DE)	Chair
Louise Nadal (LN)	Vice Chair
Dr Sam Parrett, CBE (SP)	Group CEO
Mark Trinick (MT)	Governor
Ayorinde John (AJ)	Governor
Lucie Allen (LA)	Governor
Chinyama Okunuga (CO)	Governor
David Bailey (DB)	Governor
Lucy Butler (LB)	Governor
Joanne Bell (JB)	Governor
Angela Hands (AH)	Governor
Mark Burnett (MB)	Governor
Vince Fihosy (VF)	Governor (
Maz Potts & Teresa Langford	Staff Governors
Moneese Lambert	Student Governors (FE and HE) )

**Governance Professional & Clerk to the Board**

Jennifer Pharo (JP)	Group Executive Director Governance
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**Executive Officers in attendance**

John Hunt (JHu)	Group Deputy CEO & Group CFO
Asfa Sohail (AS)	Deputy CEO & Principal
Louise Wolsey (LW)	Group Chief Strategy Officer & Deputy CEO LASER

**Visiting Presenters**

Mary Vine Morris	Association of Colleges, Area Director (London)
Philida Schellekens,	HM Inspector Ofsted

**Board Papers Published on Board Intelligence on 19 January 2023**

## Minutes

### 1. Welcome, apologies and declarations of interest

Apologies from Joanne Bell, Lucie Allen and Maz Potts (Staff Governor)  
Online attendance from Vince Fihosy, Louise Nadal (part), Chin Okunuga (part)

No new declarations received.

### 2. Minutes & Action Log

2.1 Minutes of 8<sup>th</sup> December 2022 were **APPROVED**.

## **Section 3 : Strategic Direction, Leadership and Partnership Engagement**

### 3.1 Group CEO Update

#### **Michael Tippett College (MTC) planned legal transfer to LSEC on 1 February 2023**

The Board were reminded that at the Corporation Meeting on 8 December 2022 the transfer of the provision from MTC to LSEC was **APPROVED** with effect from 1<sup>st</sup> February 2023. This included a commitment to pay £86,000 rent on the current premises at Belthorne Road up until December 2023 and a condition on transfer, for Lambeth to provide new appropriate premises from January 2024.

It was NOTED that the authority for the College to enter into a lease to a value below £100,000, was delegated to the Group CEO and Group CFO and does not require Corporation approval.

The Board were advised that Lambeth Council had confirmed that a large primary school site, known as Kingswood Primary School, had been identified as a suitable alternative building for the Michael Tippett College provision post transfer to LSEC.

It was reported that following negotiations with LSEC Executive, Heads of Terms has been agreed in relation to the Kingswood site, which will commit the College to a ten-year lease, incorporating a 2-year rent free period for the first two years, followed by annual rent of £88,500, with a rent review at the end of year five January 2029. Such future financial commitment to an initial value of £265,000 for a leased premises requires Corporation approval.

It was reported that a Written Resolution will be prepared and circulated to Governors for Approval prior to conversion, alongside the revised Service Level Agreement (SLA) between LSEC and Lambeth Local Authority, The SLA will provide the commitment of commissioned places for this provision which will be known as LSEC Nido Volans Centre Lambeth from 1<sup>st</sup> February 2023.

It was reported that they SLA would also provide for the Heads of Terms in relation to the Kingswood Lease, which is anticipated will be presented to the Board for approval in March 2023

The Board endorsed the current Executive Actions to ensure the Michael Tippett College provision legally transferred to LSEC on 1<sup>st</sup> February 2023 and subject to no material changes as reported anticipated full approval of the Written Resolution to be circulated prior to 1<sup>st</sup> February 2023..

The Board requested SEND Director RS present to a future Corporation Meeting an overview of the Nido Volans SEND provision.

**Group CEO provided a verbal update on key operational matters for the College.**

- It was reported that a Successful **Curriculum Strategy Launch** had taken place on 17 January 2023.
- It was reported that **Attendance Rates** are running low at 85-88%. The Board were advised that different strategies were being considered and applied to improve attendance rates.
- It was reported that current year **recruitment** remains below target with in year recruitment continuing.
- It was reported that legal completion on the **Future Greenwich** capital project with L&Q, had been completed on 13 December 2022, which has triggered the first payments. The board were advised that hoardings have been erected and demolition had commenced. This was a huge achievement and endeavour from the CFO and Group Director Estates. Overspend on the project had previously been discussed by the Board and Finance Committee. The Board were advised that additional funding had been bid, to cover the rising costs due to inflation.
- It was reported that **Staff pay award** negotiations were underway. The Board were advised that it was unlikely that union demands could be fully met, and that there was an impetus in the sector to offer tiered awards with bigger pay increases to the lower paid staff. The Board were advised that the Group Remuneration Committee had discussed this approach, which was not one that had been adopted by the College before, nor was it favoured. It was reported that £0.5m had been set aside in the budget for the pay award. Job protection remained a key priority but with under recruitment and additional stress on income due to rising costs, it was reported that it would be very challenging to increase the award beyond the budgeted value, without making efficiencies elsewhere. It was reported that staff turnover was high at 19%, with sector benchmarks reporting at 17.8%. An analysis of staff turnover particularly for those staff that leave within year one and year two is underway. In response to questions on whether higher turnover was a result of pay, it was confirmed that standard HR practice was to complete exit surveys and pay had not been listed as the issue. It was reported that there have been some managed exits, following changes in management structures which may have resulted in slight increase in the turnover rate. It was reported that low pay for some support staff e.g. Teaching Assistants had led to sector-wide exits to higher paid work, in retail or other industries.
- It was reported that there had been an increased volume of **Cyber Attacks** in the sector with Jisc reporting high and complex attacks over the Christmas period on some educational establishments. The Board were advised that the College systems had been switched off over the Christmas period to protect the networks from such attacks.

It was reported that Jisc had committed to providing a more detailed analysis of the recent attacks with the sector for lessons learned.

- A confidential commercial matter was discussed and not minuted.

### Questions and Comments

The Board extended thanks to the Group CEO for the update and discussed the overall appetite for risk tolerance on key operational issues.

The Board asked how it could be made more aware of the impact on key issues and impact of missed targets. As an example what is the overall impact to the organisation of not making recruitment targets, strategically, financially, reputationally, and how much risk tolerance oversight is available to the Board on such matters.

**ACTION:** The Board asked the Executive to **CONSIDER** if there was a mechanism and tool (e.g. strategic scorecard) for measuring and monitoring risk tolerance levels that the Board could use.

### 3.2 LASER Education Foundation Constitution

The Board were asked to **RECEIVE** and **CONSIDER** the latest information on the constitution of the LASER Education Foundation Limited and in its capacity as a Member of the Company **RESOLVE** to **APPROVE** the appointment of Trustees.

The Board were provided with an update and progress on the development and implementation of the London and South East Region (LASER) Education Foundation Limited, as a Company Limited by Guarantee and education foundation to support and exist alongside the College and Trust, as one of our Group Organisations.

The Board were advised and presented with the Articles of Association which had been prepared by the Executive and reviewed by the Group's legal advisors. The Articles outlined and provided the charitable objectives of LASER Education Foundation which align to the objectives of the College and Trust, connecting the sum of all parts of the Group Organisations to ensure the "co-incidence of interest" and combined and collective voice and strength of the Group Organisations, resonated with the Group's core values and purpose.

It was reported that the Foundation will supplement and enhance the charitable objectives of the College and Trust, through fundraising, research, philanthropy, partnerships, sponsorships and collaborations.

The Board were reminded that as previously approved, the Trust and College will be Corporate Members of the Foundation, with a further four independent members – six members in total.

Stephen Howlett, CBE, DL and Chair of LASER Education Foundation would be a Member alongside three independent Members, who will be individuals with longstanding relationships to

either the College or Trust. A Members role description was provided which provides the requirement for Members to appoint Trustees.

Both the Trust Board and College Corporation as Members were collectively requested to **RESOLVE** to **APPROVE** the appointment of the following Trustees.

- Stephen Howlett, CBE, DL (Chair LASER Education Foundation Limited)
- David Eastgate (ex-officio LSEC Corporation Chair)
- Christine Whatford CBE, (ex officio LSEAT Board Chair)
- Dr Sam Parrett, CBE (ex officio – Group CEO)
- Jacky Tiotto
- Roger Dawe

The Board were advised that to provide the LASER Education Foundation Board with equity and balance and remove any perceived overall control of the Foundation by the College and Trust, (something that the Charities Commission and the DfE will be mindful and may scrutinise) and on the advice of our auditors Buzzacott in relation to accounting practices, additional independent Trustees will be appointed to the LASER Education Foundation Board.

It was reported that the recruitment of additional high calibre LASER Trustees was being supported by recruitment consultants, Peridot, who have been commissioned to search for experienced Non-executive directors with finance, funding raising, philanthropy, legal, governance, local/central government, and charity sector leadership skills and experience. It was anticipated that the LASER Education Foundation Board will comprise nine Trustees with a maximum twelve Trustees permitted.

The Board were advised that once all company and constitutional documents were in place, a registration application will be made to the Charities Commission to register the company as a Registered Charity. Registration process for charitable status can take up to 4-6 months.

The Board were also advised that it is anticipated that the first meeting of the LASER Education Foundation will take place at the end of March 2023 and further information on the operational plans for the Foundation will be provided to the Trust and Corporation Boards at the March Boards. It was anticipated that will also include approval of the Tripartite Collaboration Agreement between the College, Trust and Foundation (our Group Organisations) which will set out how the Group Organisations will work and collaborate both in terms of governance and operational arrangements.

The Board were advised that in governance terms this provides the legal status of the Group Committees supported by the Group Scheme of Delegation and allowed for the continued efficiency of the Group governance arrangements. Operationally it will outline the group leadership and management arrangements, the professional services and support shared by the Group Organisations and the management of conflicts of interests.

It was reported that this will replace the existing Collaboration Agreement (Terms of Reference) and Scheme of Delegation currently in operation between the College and Trust.

## Questions and Comments

There were no additional questions or comments.

The Board **NOTED** the report and update and **APPROVED** the appointment of Trustees as presented. The Trust Board had **RESOLVED** to **APPROVE** the appointment of Trustees at its Board Meeting on 24th January 2023.

## **Sections 4 & 5: Substantial Agenda Item Board Development**

### **4. Briefing and Discussion with Mary Vine Morris Association of Colleges, Area Director (London)**

- Presentation ONS Reclassification of Colleges :
- Presentation & Paper DfE-ESA Accountability Agreements

The Board welcomed Mary Vine Morris from the AoC to the meeting and was asked to consider and NOTE the update on ONS Reclassification and the introduction of Accountability Agreements by the DfE as part of their statutory responsibilities.

The Board are reminded of the statutory duties of the Corporation under the new Skills & Post 16 Education Act, to outline our strategic intentions and curriculum strategy aligned to Local Skills Improvement Plans.

As a condition of funding the Corporation will need to endorse and commit within the Accountability Agreement how the College will meet the skills needs of the Local Plan, presented by our Employer Representative Body, for London this is BusinessLDN (formally known as London First).

The Board had received a copy of the guidance on Accountability Agreements, which form part of the wider set of reforms underway to transform the skills system, to better support young people and adults to develop the skills they need to get a good job and ensuring a clearer focus on the delivery of outcomes. The Accountability Agreement should provide a focus on what and how the College intended to deliver curriculum and skills to support local, regional, and national needs.

The guidance provided by the DfE sets out how the Accountability Agreement should be presented and submitted to the Department by 31st May 2023.

The Board were advised that the recent Curriculum Strategy Launch, formed part of LSEC's approach to this new statutory requirement, ensuring curriculum plans and delivery for 2023/24 and beyond, are aligned to labour market intelligence, employer and local skills needs.

The Board received a presentation which outlined details of the Accountability Agreement and also included the latest updated information on ONS Reclassification which the Board had already been appraised.

## Questions and Comments

In response to questions around ONS Reclassification the Board were advised that changes and restrictions to College Borrowing and new Senior Pay Controls appeared to be creating the most issues for colleges nationally.

It was reported that permissions and approval processes were slow, and the general view was that this would lead to operational paralysis for some organisations.

In response to questions around Accountability Agreement the general view of the Board that this was a lot of additional work to demonstrate impact, which was already being measured and monitored through the Group Corporate Strategy and Strategic Operating Plan for the College.

In response to discussions from the Board, it was agreed that issues and concerns should be raised through AoC our membership organisation and who could advocate for all colleges and the additional administrative burdens and implications DfE and Treasury policy decisions had on college business and operations

### 5. Briefing and Discussion with Philida Schellekens, HM Inspector Ofsted

- Presentation: Update on Ofsted Inspections and EIF Changes
- Meeting the Skills Needs – New Ofsted Provider Assessment

The Board welcomed Philida Schellekens a specialist improvement practitioner and Ofsted Inspector to the meeting, and were asked to **CONSIDER** and **NOTE** the changes to the Ofsted Education Inspection Framework (EIF) for FE in particularly the new requirement for a skills needs assessment to be completed as part of an inspection.

The Board received a report on recent inspections at other FE providers, with particular analysis provided on the skills needs assessment completed and applied by Ofsted.

The Board were advised that the details on the assessments completed to date focussed on how well leaders were working with local, regional and national employers to meet and identify their existing and new skills needs, as well as how leaders were supporting employers to ensure that people gain the skills and behaviors they need to be successful in life and to gain employment.

It was reported that inspectors would consider how effectively leaders were working with four types of external stakeholder groups:

- (i) Civic (local, regional and national government bodies),
- (ii) Employers,
- (iii) Education and training providers,
- (iv) Community representative groups,

to improve curriculum design and delivery. These include the designated employer representative body (ERB), other FE providers, schools, local and regional skills forums, the GLA, etc.

The Board were also advised that the inspectors would take into consideration how well staff and leaders are designing, adapting, and aligning their curriculum, and its future strategy, from employers and others feedback to meet the different area and employer needs. How well employers and specialists feedback was being used by teachers and curriculum managers to improve course content and structure to develop skills for certain future job roles.

Finally, it was reported that inspectors would consider whether leaders acknowledged any gaps in their skills provision, what was being done and planned to do to address these gaps (actions made or solutions implemented so far).

The Board received a presentation on the Skills Needs Assessment (S292 of the EIF) which was a sub-judgment (but not limiting) linked to Leadership & Management and Quality of Education inspection judgements. Skills needs assessment sub-judgements were applied as either strong, reasonable or limited.

The Board received an update on the process for the Skills Needs Assessment which would involve a call from the Lead Skills Inspector to the Group CEO, 5 days prior to inspection. The Board were advised that give the size of LSEC it was likely that there would be 4 or 5 discrete skills inspectors, in addition to Lead Ofsted Inspector and team of Inspectors and who would be assigned to the College for the full inspection.

The Board were advised that during the inspection a separate governance meeting on skills, would be conducted by the Lead Skills Inspector. The Board were requested to consider the creation of a Lead Skills Governor role who would support and be present for this part of the Ofsted Inspection.

**ACTION:** Follow discussions by the Board it was agreed that further review of the Governor to take on the Lead Skills Governor role would be undertaken. The nominated governor would receive 1-1 support and provided with mock interview preparation and questions.

## **Section 6: Governance & Accountability**

### **6. Governance**

#### **6.1 Governance Matters**

The Board were reminded that through the Group Scheme of Delegation the Remuneration Committee has delegated responsibilities to oversee the pay and remuneration of the Group CEO and Senior Managers, that form the Group Executive.

It was reported that the Committee's responsibilities were to make recommendations to the Corporation and Trust Board on the remuneration and benefits of the Group CEO & Principal, senior post-holders, and other senior staff in accordance with the Group Executive Pay Policy.

The Board was advised that a regulatory requirement of both the College and Trust is the publication of information and decision making on senior pay in the form a Remuneration Committee Annual Report.



The Board were asked to **NOTE** the Group Remuneration Committee Annual Report presented to be endorsed at the Group Remuneration Committee on 26<sup>th</sup> January 2023 and published on the Trust and College website thereafter.

### Questions and Comments

The Board **NOTED** the Group Annual Remuneration Committee report presented.

### 6.2 Board Self Evaluation

The Board were reminded that as part of good governance practice they were required to complete a board self-evaluation and assessment on the effectiveness of the Board.

The Board were advised that Governors would be provided with a template for completion as part of the self-evaluation process and in line with previously approved criteria.

**ACTION:** The results of the self-evaluation will be shared with Governors at the March Board Meeting.

### Questions and Comments

The Board **NOTED** the update on the Self-Evaluation process.

### 7. AOB

7.1 Chairs Action to approve DfE Bid for T-Level Capital Fund  
The Board **APPROVED** the submission of the Capital Fund.

### 8. Next meeting dates

- Curriculum & Standards Committee: 6 February 2023
- Group Audit Committee: 2 March 2023
- Group Finance Committee: 16 March 2023
- Corporation Board: 23 March 2023

### 9. Items Deferred to next meeting

- Annual Reports: GDPR and Complaints
- Group GDPR Policy

Minutes APPROVED :



David Eastgate, Chair  
23 March 2023