

MILTON KEYNES COLLEGE GROUP
CORPORATION BOARD MEETING
Minutes of the meeting held on 14th December 2021, MS Teams
17:00 – 19:05

Board Members	Category of Governor	Attendance 2021/22	Present at this meeting
Richard Bartlett-Rawlings	Independent	3 of 3	Yes
Rebecca Carrington	Independent	2 of 3	Yes
Alan Cook	Independent	3 of 3	Yes
Peter Cox	Independent	3 of 3	Yes
Kaye Dwight	Staff	3 of 3	Yes
Mat Gotkowski	Independent	3 of 3	Yes
Marcela Grabowski (joined 10/11/21)	Student	1 of 2	No
Shalom Lloyd	Independent	1 of 1	Yes (in part)
Liz Marr	Independent	3 of 3	Yes
David Meadowcroft	Independent	3 of 3	Yes
Julie Mills	CEO	3 of 3	Yes
Stephen Norrish	Independent	2 of 3	Yes
Ruby Parmar	Independent	1 of 3	No
Charlynn Pullen	Independent	3 of 3	Yes
Ian Revell	Independent	3 of 3	Yes (in part)
Adam Rixon (joined 10/11/21)	Student	1 of 2	No
Neil Sainsbury	Independent	2 of 3	Yes
Aniesa Shah	Staff	3 of 3	Yes
Gwynneth Tan	Independent	2 of 3	Yes
Manish Verma	Independent	0 of 3	No
Attendance % this meeting		80%	16 / 20
Attendance % year to date		80%	45 / 56

Regular attendees: Sally Alexander (Principal: Quality & Student Experience), Annie Allen (CPO), Alex Warner (Principal: Curriculum Innovation & Pedagogy), Karen Brown (Head of Governance)

Other attendees: Martin Owen (Interim Chief Financial Officer)

1.1 Welcome and Apologies

- Apologies had been received from Ruby Parmar, Manish Verma, Adam Rixon, Marcela Grabowski and Imelda Galvin.
- Shalom Lloyd and Ian Revell had advised that they would be joining later

1.2 Declaration of Interests

There is a standing declaration from Rebecca Carrington who is Director and Principal of Arts1.

2.0 Strategic Priorities 2021/22

2.1 CEO's Report (Paper 2.1)

Julie Mills referred to her report which includes an overview of Board Strategic Priorities.

Equality Diversity and Inclusion (EDI)

Liz Marr (Link Governor for EDI) advised governors that she had discussed with the EDI Manager that the Board should lead by example e.g. an EDI event including governors.¹ Also, Chairs should consider the EDI profile of their committees and how EDI features within their work. There will be a substantial item on EDI at the Board meeting in February.

Strategic Partnerships

Discussion minuted as confidential.

The Board received the CEO's Report

Shalom Lloyd joined the meeting. The Chair welcomed Shalom and she briefly introduced herself. Ian Revell joined the meeting.

2.2 A) Student Experience (Paper 2.2A)

Sally Alexander and Alex Warner referred to the headlines in Paper 2.2A:

Self-Assessment Report 2020/21 (SAR)

- The SAR is a deep dive analysis into the quality of provision at MKCG including the detailed data.
- Provision has been self-assessed overall as good. Although some schools dropped a grade, most schools self-assessed as good or better. Schools responded well to meeting the challenges of COVID and digital poverty.
- Overall achievement was strong despite the pandemic and the disruption to learning.
- The key challenges were:
 - Entry level / Level 1 achievement especially vocational subjects because some students who were not in college were unable to develop practical skills
 - Functional Skills English and maths (E&M).
 - Work experience / personal development. Access to employers was difficult.
- Behaviour and attitudes (B&A) was self-assessed as good, and students said they felt safe.

Link governors who attended department SAR reviews added that they had a high degree of confidence in the rigour of the self-assessment process. The SAR is a very comprehensive reference document for governors.

At some department SAR reviews, Heads of School expressed concern that E&M (over which they had no control) had an adverse impact on their school's overall grade. Since then, E&M has been included as a development theme in the Quality Improvement Plan (QIP), an E&M Strategy Group has been established and the CQG has been reviewing E&M at every meeting.

¹ Governors have been invited to join the senior leadership group:

- On 20th January at 10.00 – 11:30 (via Teams). This session will be led by Prof. Paul Miller.
- On 9th March, 10:00 – 11:30. This will be a session on allyship, delivered by Women Leaders UK, funded by MK Council.

Quality Improvement Plan 2021/22 (QIP)

The five areas identified for development in 2021/22 are:

- Improve attendance including E&M
- Embed the Personal Development Strategy across all programmes of study
- Improve the culture around E&M across all programmes of study
- Improve the development of employability skills
- Ensure a consistent approach to data capture and processes

Ongoing monitoring of quality improvement includes scrutiny by CQG, school QIPs, Link Governor engagement, Internal Quality Reviews (IQR) and termly 360 review meetings. 360 review meetings include a deep dive into quality, finance and staffing etc. and are an opportunity for Heads of Schools to also feedback their concerns to the leadership team.

Academic KPIs 2021/22 (QIP)

- The proposed KPIs balance challenge, aspiration, and realism. The aim is to revert to a pre-pandemic position.
- As requested, the KPIs were challenged at the CQG meeting and are now recommended for approval.²

The Board:

- ***Reviewed and approved the Campus Self-Assessment Report (SAR)(2020/21) including the proposed grades***
- ***Reviewed and approved the Quality Improvement Plan for 2021/22 (QIP)***
- ***Reviewed and approved the academic KPIs for 2021/22***

B) CQG Meeting 22nd November 2021 (Paper 2.2B)

Liz Marr referred to Paper 2.2B and confirmed that having challenged the revised KPIs, the CQG was now able to recommend these to the Board for approval. The CQG is closely monitoring the E&M strategy.

The Board noted the report from the CQG meeting on 22nd November 2021

2.3 Financial Health (Paper 2.3)

Martin Owen referred to Paper 2.3 and highlighted:

Management Accounts Period 3 (October 2021)

- Overall Group contribution is £346k behind budget due to lower income than budgeted.
- More investigation is being carried out as income in the management accounts may be under-represented e.g.:
 - The apprenticeship targets for the full year have been met but the recorded income does not reflect this. The College is prudent in respect of recognising income and apprenticeship income is not recognised until all required administration is complete.

² After the meeting, it was noted that the table on page 50 of Paper 2.2 had omitted an explanation referring to HE. The table, with the exploratory note, is attached to the confidential minutes as Annex 1.

- Costs relating to projects are included but not all the income. Resource was engaged (at risk) to deliver projects and as contracts with the DfE have now been signed, income will start to flow.
- There is an opportunity to generate additional income e.g. Distance Learning which is being pursued although it is still early to judge its impact.
- Draft Period 4 management accounts indicate a reduction in the rate of decline compared to Period 3 (2021/22) and Period 4 (2020/21).
- Cash is c.£800k below budget due to an earlier than expected clawback by the Ministry of Justice of prior year income (budgeted for December).
- There are c.70 outstanding staff vacancies (some are advanced replacements) which reflects recruitment challenges rather than cost control although strong, cross-college controls exist for staffing. Staff sickness absence is growing (4.73% in October vs 2.80% ytd) with an increase in stress related absences.

Governors challenged the action being taken to address the shortfall in income / contribution and were assured that

- The impact of additional income from Distance Learning was in its early days.
- Costs were being tightly controlled (costs are being matched to activities and income deficiencies).
- Analysis is being carried out to ensure all income is recorded and reported correctly.

New Bank Accounts

As discussed at the Audit & Risk Committee meeting on 2nd December, the two active subsidiary companies (The Code Makers Academy Limited and MKC Commercial Limited) require their own bank accounts

The Board:

- **Noted the financial position to 31st October 2021 (Period 3)**
- **Approved the opening of Bank Accounts with Lloyds Bank for:**
 - **The Code Makers Academy Limited**
 - **MKC Commercial Limited**

3.0 Governance and Compliance

3.1 Financial Statements 2020/21: The Code Makers Academy Ltd (CMA) / MKC Commercial Ltd (MKCC) (Paper 3.1)

Martin Owen explained that the External Audit Post-Audit Management Report (*Paper 3.2D*) included a recommendation relating to the trading subsidiaries (CMA Ltd and MKCC Ltd) which was discussed at the Audit & Risk Committee meeting on 2nd December.

Directors of the four wholly owned subsidiary companies had since met on 10th December. Ruby Parmar and Manish Verma had been appointed as directors (Paper 4.1) and the statutory accounts for the FY2021 had been approved. Accounts for CMA and MKCC have been audited by Buzzacott. PETS Ltd and MFMK Ltd are dormant companies.

CMA is the IoT (Institute of Technology) and incurred a loss of c£200k in FY2021. MKCC is a labour supply agency for the College (engaging staff on different terms and conditions) and achieved breakeven as planned.

A governor referred to their previous opposition (which was minuted) relating to MKCC and employing staff on different terms and conditions. It was agreed that there would be a further Board discussion if there were plans to grow this company significantly.

The Board was assured that there was liability insurance in place which extends to governors and directors of the subsidiary companies.

The Board approved the actions relating to the subsidiary companies

3.2 Audit & Risk Committee 2nd December 2021 / Group Financial Statements 2020/21

Alan Cook, Chair of the Audit & Risk referred governors to Paper 3.2A which is the report of the meeting held on 2nd December 2021.

At the meeting, the Committee had reviewed the positive annual audit reports and the College's financial statements and received assurance on a range of other matters. Due to the assurances received at the meeting and throughout the year, the Committee was able to give its opinion (which was included in Paper 3.2E) that *'in so far as the Committee was aware, the College does have an adequate and effective framework for governance, risk management and control and has fulfilled its statutory responsibility for the 'effective and efficient use of resources, the solvency of the institution and the body and the safeguarding of their assets'*.

Martin Owen drew attention to the following:

- The audit had posed additional challenges this year with the absence of some senior managers however the college team had the necessary knowledge, and the audit was completed on time.
- Buzzacott (external auditors) are experienced in the sector and provide benchmarks. The audit partner had presented the management report (Paper 3.2D) to the Audit & Risk Committee when members had the opportunity to ask questions. The report includes:
 - Clean audit opinion
 - Key risks
 - Recommendations
 - Benchmarking compared to other FE client colleges
 - Summary of the figures in the financial statements
- The Internal Audit report (Paper 3.2C) includes a positive opinion on the adequacy of systems of internal control.
- The draft financial statements (Paper 3.2E) include:
 - The Board's Statement of Corporate Governance and Internal Control
 - The positive going concern statement (which had been scrutinised by the Finance Group)

The FY21 operational surplus was £1.293m (budget £0.659m surplus) (FY20 £1.411m surplus).

Governors challenged the current ratio which is lower than the benchmark provided by Buzzacott) and were assured that this includes a liability relating TPS (Teachers' Pension Scheme) grant, which may be released subject to confirmation that any excess is not repayable. Reducing the pay costs ratio (which is higher than the sector average) is a strategic target; actions could include increasing income / scale of operations / reviewing headcount.

The Board approved the report from the A&R Committee meeting on 2nd December 2021 and as recommended by the Committee:

Noted the:

- **Regularity SAQ (Paper 3.2B)**
- **Internal Audit Annual Report (Paper 3.2C)**
- **External Audit Post-Audit Management Report (Paper 3.2D)**

Approved the:

- **Report and Financial Statements for the year ended 31 July 2021 for signing (Paper 3.2E)**
- **Representation letter from the College to External Audit for signing (Paper 3.2F)**

Approved:

- **The A&R Annual Report for 2020/21 (Paper 3.1G)**
- **The Strategic Risk Register (Paper 3.2H)**
- **Five sections of the Financial Regulations (Paper 3.1I)**
 - **Section 3: Accounting Policies & Procedures, Statistical Information, Taxation, Audit and Retention of Records**
 - **Section 4: Revenue and Capital Budget**
 - **Section 6: Purchasing and Competitive Tendering**
 - **Section 11: Research Projects and External Contracts**
 - **Section 14: Risk Management**
- **The Value for Money Policy (Paper 3.2J)**
- **The Anti-Fraud & Corruption Policy (Paper 3.2K)**
- **Re-appointment of Buzzacott as providers of the College's External Audit Service for 2021/22**

3.3 Search & Governance Committee 15th November 2021

Charlynn Pullen, Chair of the Search & Governance referred governors to Paper 3.3A which is the report of the meeting held on 15th November.

Charlynn highlighted that the Committee had reviewed and approved:

- An EDI strategy and targets to improve the Board's diversity
- Training & Development for governors including bespoke online modules (details will be circulated)
- A self-assessment against the FE Code of Governance and concluded that the Corporation was compliant. The Committee requested that the Careers Strategy be reviewed by the Board this cycle.

The Board:

- **Approved the report from the S&G Committee meeting on 15th November**
- **Approved the S&G Committee's Annual Report for 2020/21 (Paper 3.3B)**
- **Approved the S&G Committee's Terms of Reference for 2020/21 (Paper 3.3C)**
- **Approved the Conflicts of Interest Policy (Paper 3.3D)**
- **Approved the Corporation's Instrument & Articles of Government (Paper 3.3E)**
- **Ratified the appointment of Shalom Lloyd to the Board for a three year term of office, subject to a satisfactory DBS check**

3.4 Remuneration Committee

Gwynneth Tan, Chair of the Search & Governance referred governors to Paper 3.4A; the Committee had not met but had reviewed and recommended (by email), the documents listed below, for approval.

The Board sought and received assurance from Remuneration Committee members that the CEO pay multiple could be explained if challenged.

The Board:

- ***Approved the report from the Remuneration Committee***
- ***Approved the Remuneration Committee's Annual Report (Confidential Paper 3.4B)***
- ***Approved the SPH Remuneration Code Annual Statement for publication on the College website (Paper 3.4C)***
- ***Approved the Remuneration Committee Terms of Reference for 2021/22 (Paper 3.4D)***

3.5 PDMG (Property Development Monitoring Group) meetings of 18th November 2021 and 8th December 2021 (Paper 3.5)

Peter Cox referred to the report of the meeting of 18th November when the PDMG had received assurance on project progress, variations from budget and vision / design principles. The PDMG had also met on 8th December.

- Bletchley - planning permission has been delayed and will now be considered by the Development Committee on 6th January 2022; this is a risk to timescales and budget (e.g. increase in steel process due to the delay). Since reported in Paper 3.5, the Letter of Intent has been amended to remove the cost of steel as there is no benefit in purchasing steel now and paying storage costs. The delay will also mean that noisy work will be taking place during term time. The project is £113k over budget but the team is optimistic this will be clawed back.
- Oxford is on track. There is a potential cladding issue (cost and supply)
- Reading is live and roof repairs will be completed by Christmas.

The Board noted the report from the PDMG

3.6 CPMG (Capital Projects Monitoring Group) meeting of 22nd November 2021 (Paper 3.6)

Peter Cox referred to the report of the meeting of 22nd November when the CPMG had received assurance on project progress (College Business Centre and ITC extension), variations from budget and vision / design principles. The CBC must be delivered by 31st March 2022 and the ITC Extension by 31st August 2022.

The Terms of Reference have been revised to include all capital projects (except the IoT).

The Board has delegated authority to the CPMG re the appointment of contractors (Paper 4.2).

The Board:

- ***Noted the report from the CPMG***
- ***Approved the Terms of Reference for the CPMG***

3.7 Finance Group (FinG) meeting of 23rd November 2021 (Paper 3.7)

Mat Gotkowski referred to Paper 3.7 and advised that the FinG had met to review the going concern assurance and letters of support for the trading subsidiaries.

The ESFA will be invited to attend the Finance Group meeting on 28th February 2022 – all governors are welcome to attend.

The Board noted the report from the Finance Group

3.8 Agenda items for the next meeting

Strategic Partnership
Financial Health
Staff Pay recommendation
EDI
People Strategy - Rem Project
Reports from PDMG, CPMG

3.9 Meeting Effectiveness

Governors confirmed that there had been sufficient time for debate and did not request that any item be rescheduled to enable further discussion,

CONSENT AGENDA

The following items were approved by consent / without discussion:

4.1 ***The Board ratified the Written Resolution (approved by email) appointing Ruby Parmar and Manish Verma as Directors of The Code Maker Academy Ltd and MKC Commercial Ltd.***

4.2 ***The Board ratified the Written Resolution (approved by email) delegating authority to the CPMG to:***

College Business Centre (CBC)

- ***Approve Ashe Construction Ltd as the main works contractor***
- ***Approve the contract with Ashe Construction Ltd***
- ***Approve a Letter of Intent relating to enabling works***

ITC Extension

- ***Approve T&B Contractors Ltd as the main works contractor***
- ***Approve the contract with T&B Contractors Ltd***
- ***Approve a Letter of Intent relating to enabling works***

4.3 ***The Board approved the Modern Slavery Statement 2021/22 for publication on the College website***

4.4 ***The Board approved the Minutes of the Board Meeting held on 10th November 2021 (Papers 4.4A and Confidential 4.4B)***

Actions

Date Raised	Actions arising from the last and previous meetings	Action Owner	Current position
10/11/21	Schedule an item on student feedback for the CQG meeting in February 2022	SA/KB	Complete (diarised)
	Review the academic KPIs and recommend to the Board for approval in December	SA	Complete Agenda item 2.3

Next Meeting 31st January 2022 (additional meeting) / 9th February 2022