



MEETING OF THE CORPORATION OF MACCLESFIELD COLLEGE

TUESDAY 7 DECEMBER 2021 – 9.30 AM

VIA ZOOM

PART I

Clerk: Mrs R Clare

Attendance:	M Sharples (Chair), K Williams, S Musgrave, R Kay, M Wright, A Sutcliffe, P Newell, G White, J Walters, I Cass, A Eifflaender, DL, JK
In attendance:	L French, L Reed
Apologies:	E Kennedy, G Lagan, N Schofield

Actions:

56/21 LR will share an update on HE at the next Corporation meeting.	LR
57/21 A Member noted that the bank address for the two accounts were incorrect. This will be updated. Subject to the amendment, the accounts for Cheshire Solution Limited and for ECAT Limited for the year ended 31 July 2021 were approved. A Member questioned why the accounts are still open and should the College be considering closing the accounts. It was agreed that VH will look to close the dormant accounts as they were no longer needed.	LF/VH
60/21 LR shared the Quality Improvement Plan that had been formulated in response to the College SAR. The plan will be updated with actions and shared at the January Corporation meeting.	LR
64/21 AS confirmed that the last Cyber Security meeting was cancelled and he had not received a new date. LR will liaise with DF.	

MINUTES

- Item 54/21 Title**
Welcome and Apologies for Absence
The Chair of the Corporation welcomed Members to the meeting.
- Apologies for absence were received for E Kennedy.
- MS informed Members that this would be LF's last meeting as Vice Principal Finance and Resources, prior to her retirement. VH was welcomed to the meeting as Director of Finance and Estates and replacement for LF. MS thanked LF for her hard work on behalf of the Corporation.
- MS informed Members that PN would be leaving the Corporation at the end of his term of office and this would be his last meeting. MS thanked PN for his commitment to Macclesfield College and support during his term of office.
- MS welcomed AE to her first meeting of the Corporation. MS welcomed AE skill set, particularly in relation to the local community and sustainability.
- i. To ratify the appointment of Student Members of the Corporation**
DL and JK were appointed as Student Members of the Corporation.
- DL and JK were invited to the Corporation meeting. Introductions were made.
- ii. To ratify the appointment of JM**
Members ratified the appointment of JM. JM will be joining the Corporation and Audit Committee from January 2022.
- Item 55/21 Declaration of Members' Interest**
M Sharples declared an interest as his wife works for Cheshire East Council.
- Item 56/21 Minutes and matters arising from the previous minutes**
The minutes of the meeting held on 5 October 2021 were approved as an accurate record.
- The Chair of the Corporation reviewed the matters arising:
A further meeting will be arranged with MS, RK, AS, and MG to review the finances surrounding the gym arrangements and progress on The Macclesfield Academy joining a MAT. ***A meeting had been held with MS, RK, AS, MG and RC. A further update will be provided in January.***
- Governors discussed the curriculum overview and how this fitted into the overall strategy. The Principal explained that the updated Strategic Plan was shared at the Corporation Strategic Planning day, this incorporated the Teaching and Learning Strategic aims. This will be circulated at the next meeting. ***The Strategic Aims were shared in advance of the meeting.***
- LR explained that the College has engaged with an external validator to review the HE offer and strategy. The outcome of this review will be shared with governors. ***LR will share an update on HE at the next Corporation meeting.***
- **Governance Impact report from visits that have taken place**
RC shared an updated impact report. RC confirmed that EK, JW, GL and KW had carried out Governor Engagement visits. GL had met with the curriculum team and carried out a learning walk. JW had attended a SMT meeting as an observer to monitor a number of themes. KW had attended two Student Council meetings. EK carried out a Health and Safety walk of the building and met with members of staff responsible for Estates. The full reports had been shared on Trust Governor for information. RC commented on the successful visits and reports. The visits were resulting in key actions that could be monitored over time.

- **FE Commissioner letter dated November 2021 and Skills for jobs white paper: interim guidance on strengthening governance**

RC shared the FE Commissioner letter dated November 2021 and Skills for jobs white paper: Interim guidance on strengthening governance. RC explained that the letter introduced the new Further Education Commissioner and team. The letter shared the FEC priorities, roles and responsibilities and intention for colleges to focus on continuous improvement. The letter sets out good practice and training for key roles. RC confirmed that RK, MS and RC had participated in the Oxford Said Business School training programme that was referred to in the letter.

RC shared the Skills for jobs white paper: interim guidance on strengthening governance. RC reported that this is the interim guidance and the final guidance is expected to be issued in the Spring. The guidance has a governance developmental focus. The guidance confirms that there should be an internal annual review. RC confirmed that this already takes place and a Governance SAR is presented annually. The guidance also states that an external review should take place every three years. This should take place in 2021/22, 22/23 or 23/24. RC confirmed that the College has carried out external reviews before, normally concentrating on a specific focus. The areas for focus will be agreed by the Corporation. An internal Governance audit is already scheduled for May and therefore the external review will be after this time. RC confirmed the guidance refers to board recruitment and diversity, qualifications and a suitably experienced Governance Professional and an independent panellist to support recruitment of senior leaders. RC confirmed that Macclesfield College already meets these requirements. A statement on governor training will be required in the annual accounts going forward. Further guidance on payment to the Chair will be available in due course.

- **ESFA College Financial Forecasting Return 2021 to 2023**

LF presented the ESFA College Financial Forecasting Return 2021 to 2023. Two documents were shared: Macclesfield College, College Financial Forecasting Return 2021 to 2022 and Finance Dashboard Oct 2021. LF confirmed the assessment grade, based on the financial plan, is: -

- Outstanding for 2020/21 (the latest outturn forecast year), and
- Outstanding for 2021/22 (the current budget year).

A Member commented on the useful document for comparing Macclesfield College to the sector.

57/21 **Business**

i. to approve the Report and Financial Statements for the year ended 31 July 2021

LF presented the report and Financial Statements for the year ended 31 July 2021. LF confirmed that the statements had been prepared in line with accounting practice. LF explained the statements reflect the final management accounts and strategic position in line with the financial reporting at the October Corporation meeting.

The Report and Financial Statements for the year ended 31 July 2021 were approved.

The External Auditor was welcomed to the meeting.

ii. to receive and approve the Audit Findings Report (including the Regularity Audit) for the year ended 31 July 2021 from Wylie and Bisset

The External Auditor presented the External Audit Findings Report for the year ended 31 July 2021 prepared by Wylie and Bisset. It was noted that this report was required to be forwarded to the ESFA. RC informed Members of the new requirement for the External Auditor to attend the Corporation meeting to present the report.

SG referred to the table of contents on page 2 of the report and the executive summary on page 3, that confirmed key matters. SG reported the year-end financial position for July 2021 and the predicted position for the year ended 31 July 2022. SG referred to outstanding matters on page 3, section 1.2. SG reported that Wylie and Bisset anticipate issuing an unmodified audit opinion subject to authorisation of the financial statements by the Members of the Corporation.

SG confirmed that Wylie and Bisset anticipate issuing an unqualified opinion on the accounts of Macclesfield College for the year ended 31 July 2021. The financial statements would be signed by the auditors on the assumption that the College would continue for the foreseeable future as a going concern, i.e. that the Corporation would be in a position to meet its liabilities for the next 12 months.

SG confirmed that they had undertaken an overall review of the governance arrangements and process of internal control in place at the College, based on their findings the College has strong systems in place to comply with governance arrangements. The External Auditors made no control recommendations in relation to the year ended 31 July 2021.

SG referred to page 7 of the report, the Financial Review section and confirmed that there are no anticipated qualifications in the audit opinion of Wylie and Bisset on the College's accounts for the year ended 31 July 2021. The financial statements give a true and fair view of the College's financial position.

SG confirmed that on page 10, section 3.9, Actual V Budget, reported the key variances including the changes in income due to an unfavourable movement in research grants and contract income. The staff costs were higher than budgeted due to the FRS 102 pension charge, additional agency costs and additional staff costs. There was a favourable variance compared to the budget as a result of cost savings. Page 11 of the report detailed the balance sheet.

SG confirmed that on page 14, section 4.3, that there were no unadjusted errors brought to the attention of the External Auditors.

SG confirmed the independence of Wylie and Bisset in carrying out the audit.

SG referred to page 16, section 4.9, Income Recognition around main funding sources and the additional work in relation to the funding claims generated through the ILR returns. There is no assurance provided over funding earned by the ESFA and therefore the External Auditors have undertaken audit work to ensure the income is recognised within the financial statements. Based on the External Auditors sampling testing there is no material misstatement in income recognition. The External Auditors confirmed they were comfortable with the findings.

SG detailed the appendices contained within the report. SG stated that no issues were raised in relation to Fraud and this is reported on page 30 of the report. The Letters of Representation were contained within the report.

The Audit Findings Report (including the Regularity Audit) for the year ended 31 July 2021 from Wylie and Bisset was approved.

A Member congratulated the College on the clean report.

iii. to approve the letters of Representation to be signed on behalf of the Corporation by the Chair

The letters of Representation had been updated following the Audit Committee and were approved by the Corporation.

iv. approve the accounts for Cheshire Solutions Limited and for ECAT Limited for the year ended 31 July 2021

A Members noted that the bank address for the two accounts were incorrect. This will be updated.

Subject to the amendment the accounts for Cheshire Solution Limited and for ECAT Limited for the year ended 31 July 2021 were approved.

A Member questioned why the accounts are still open and should the College be considering closing the accounts. It was agreed that VH will look to close the dormant accounts as they were no longer needed.

v. receive the College Accounts and Executive Summary relating to the period ended October 2021

LF presented the College Accounts and Executive Summary relating to the period ended October 2021. The management accounts for the 3 months to 31 October 2021 present a year to date surplus of £1K (after interest, depreciation and amortisation costs) compared to a YTD Forecast surplus of £0K, with a current financial health grade of Good. LF shared the Financial KPIs on page 3 of the report. LF reported that 16-18 student numbers as at 31 October 2021 were 978 compared to a forecast 1100. The AEB current position (no factors applied) is £329,642 with factors applied is £306,044. The revised planned delivery is £37,659. Any further changes will be reflected in the mid-year review. The AEB will continue to be monitored.

LF reported that there have been 115 Apprenticeships starts from August to October. The current position with factors applied is £1,494,040. Apprenticeship enrolments are continuing and the budget is expected to be met.

LF reported that Tuition Fees and charges will be lower than budgeted and therefore the mid-year review will be amended.

LF reported that the year to date income ratio excluding restructuring costs is 61.58% v full year budget of 65.28%. Pay to income excluding restructuring and FRS102 costs is 59%. Cash days in hand were reported to be 79 days and there was a £80K contingency being held.

LF reported as at the 31 October 2021 the college was not compliant with the loan covenant but this was a timing issue of when the payment for the second quarter cleared the college bank. The college will be compliant going forward.

Q: Our staff ratio cost is lower than expected. Is this a concern?

No, the College is holding some vacancies. The pay to income ratio is in line with FE Commissioner benchmarks. The staff ratio cost is not expected to stay low.

RK confirmed that although student numbers are lower than forecast, the College is working hard to close the shortfall through a strategy around apprenticeships and AEB.

Learning Curve

RK shared a proposal to partner and work in collaboration with Learning Curve, to offer a more diverse and niche learning opportunity to a wider participation audience. RK recommended delivery in an area of 40 miles radius of Macclesfield College to deliver a unique niche provision. This will broaden the opportunities to a wider target audience of AEB.

The value of the contract is £112,955 for academic year 2021/22. Learner numbers will be monitored by the MIS Director to ensure the contract value is not exceeded. RK shared the Ofsted report for Learning Curve with an Ofsted 'Good' rating. By working with Learning Curve, the College aimed to widen their offer and develop a response to the national skills fund allocation by developing new ways of working and sharing good practice. RK shared the qualifications that they will be providing using an online platform.

In line with subcontracting guidance LR confirmed the following points:

- The proposal is for less than 25% of the college's allocation, the proposal is for 19.9%;
- It's a collaboration with longevity in mind to develop wider and more enhanced curriculum offer via AEB;
- The partnership will create niche opportunities for learners and fill a learning gap in what we currently cannot offer;
- It will appeal to a wider geographical area;
- Pending approval, full due diligence will be undertaken.

RK confirmed that the College had held two Open Evenings and the numbers were currently up 200% on 2019. There had been two Open Evenings for the new Rugby Academy and a number of students

had already enrolled. There were 750 visitors at the October Open Evening and 400 at the November Open Evening. This looked positive for next academic year. However, last year's student numbers had been impacted by predicted grades and students deciding to stay on at their school Sixth Form. The College had also held no Open Evenings due to the pandemic.

Q: What are the longer-term objectives?

RK explained that the longer-term objectives were to share good practice and meet the AEB. KW offered to review the operations for this partnership as this was his expertise.

Q: Is the College currently providing ESOL?

RK confirmed that this had been offered before but the numbers were not high enough. A Member commented that she was currently working with 10 Syrian families who required English skills. RK confirmed that she will put out an expression of interest in January and see if there is a positive response. RK confirmed that devolution had impacted on the delivery of ESOL.

The Corporation approved the subcontracting arrangement with Learning Curve.

Aspirations Academy

RK confirmed that the College had also lost a small number of students due to poor behaviour and therefore had decided to launch a new strategy to rectify this. The College will be launching the Aspiration Academy from January 2022. The Aspirations Academy will address a rise in the following concerns:

- Learners not ready for college;
- Learners who have been distanced from mainstream education for some time;
- Increase in mental health concerns;
- Increase in behavioural issues and links to EHCP.

The programme will run for 16 weeks. There are three steams:

1. 100 Steps Level 1
2. Silk Road Level 2
3. The Peak Level 3

The programme will have the following elements: mentoring, a placement, a project and teaching of English and mathematics. It is going to be a non-accredited course. It will provide skills for a trade. A project-based trip, an enrichment trip and a final graduation celebration will be included in the programme. It is a post 16 offer only. The target for the academy will be 50 students in January 2022, 50 students in September 2022 and 50 students in January 2023. A Member commented on the excellent initiative and strategy.

Q: Are the exclusions carefully monitored?

Yes, they are detailed carefully.

Q: Will the Aspirations Academy be quality assessed?

Yes, it will be included in the College SAR.

Q: Is there some exposure for the Apprenticeships?

RK confirmed that the College is close to the target already and there is a high demand from employers. ELT confirmed that the Apprenticeship team was strong and they had brilliant initiatives with a strong model for delivery.

Q: Are the numbers for the Aspirations Academy likely to be achieved?

Yes, there are already 30 of our own students for this course without any marketing. RK confirmed that this would need to be capped at 50 students.

Q: Will you have wider engagement from the Local Authority?

RK confirmed that this was not needed at the moment as numbers were likely to be high without their involvement.

RK confirmed that the Aspiration Academy will be carefully timetabled so it does not impact on the wider college. The College has also engaged with a youth worker from Hide Away Youth Project to support the delivery of the programme.

vi. to approve the Financial Regulations

VH presented the update Financial Regulations. The changes were highlighted as tracked changes within the document shared with Members. The changes reported relate to the following: -

- Dates, job titles and re-formatting of certain paragraphs
- An additional paragraph added regarding automated payments (see 4.3.1)
- Removal of the statement that the college will withhold certificates for non payment of fees (see 4.6)
- An additional section on calculating the contract or purchase value for ordering thresholds (see 6.4.1)
- An additional section on procurement (see 6.4.2)
- Changes to procurement thresholds in line with Public Contract Regulations (see 6.4.3)
- Additional section / amendments to cover framework agreements (see 6.4.4)
- Additional section / amendments to cover electronic tendering (see 6.4.5)
- Amendments to Works Contracts (see 6.5)
- Additional section on the awarding of contracts (see 6.6)
- Addition of Appendix 1

Members approved the Financial Regulations.

vii. Bank Mandate

The bank mandate held by Allied Irish Bank is out of date and a new document is required to be authorised and submitted to Allied Irish Bank. The revised bank mandate has ELT members as authorised signatories, with any two required to authorise instruction relating to the loan facility.

Members approved the new Bank Mandate.

58/21 Audit

To receive the minutes of the meeting held on 9 November 2021.

Members received the Audit Committee minutes from the meeting held on 9 November 2021.

Members should note the formal recommendations made under the Audit Committee minutes. They are invited to:

i. receive and approve the Annual Internal Audit Report

MW requested that Corporation Members receive and approve the Annual Internal Audit Report. Members should note the following audits were carried out during 2020/21:

Cyber Security and Disaster Recovery;
Accounts Payable;
Curriculum Planning;
MIS: Apprenticeships;
Follow up.

MW confirmed that there were no high-level recommendations during the year. The annual statement of assurance was provided as suitably designed and with sufficient effectiveness for risk management, control and governance arrangements/objectives.

Members approved the Annual Internal Audit Report.

ii. receive the Annual Risk Management Report and Heat Map

MW requested that Corporation Members receive the Annual Risk Management Report and Heat Map. MW reported that the Risk Policy was reviewed and approved by the Audit Committee in June 2021. In general, the College has had an adverse risk appetite. However certain risks have been unavoidable in order to meet strategic and operational needs. Any such risks have been planned and managed extremely carefully. MW reported successful performance against the plan in year and this had been

monitored through the KPI document. It was confirmed that the risk management audit had been awarded substantial in summer 2020. Risk processes were deemed to be working well and operating effectively.

iii. receive the annual review of risk appetite

MW requested that Corporation Members receive the annual review of risk appetite. Members should note that this document had been developed during 2020 and ELT had considered a new way of reviewing risk appetite and this had been mapped across the college. The college statement of being 'risk averse' could no longer be applied as this was now split by categories. The final statement was complex and applied over a range of activities rather than just being risk averse. The Audit Committee recommended that the approach to the risk appetite of the College which was adopted in November 2020 continues.

iv. receive the Annual Report of the Audit Committee to the Corporation

MW requested that Members receive the Annual Report of the Audit Committee to the Corporation. This was reviewed and approved.

v. approve the Terms of Reference for the Audit Committee

MW informed the Corporation that there were no changes to the Terms of Reference for the Audit Committee. The Audit Committee Terms of Reference were approved.

The Chair of the Corporation thanked MW for his comprehensive update.

59/21 KPI document 2020/21

ELT shared the final KPI document for 2020/21. RK confirmed that there had been no changes since the document was last reported. The final KPI document for 2020/21 was reviewed and approved.

Q: Is there a strategy to resolve the difficulties in HE during last year?

RK confirmed that a plan will be formulated and presented in January. The new strategy will concentrate on commercial and professional. ELT confirmed that HE is difficult to deliver effectively in FE, however the new model will look at blended delivery to a broader market.

60/21 Quality and Curriculum

i. to receive the HE self-evaluation document

LR shared the HE SED in advance of the meeting. The HE SED was prepared by RT. LR thanked KW for sitting on the HE SED Panel. The HE SED found that there was a high degree of core practices. Student achievement was high. LR confirmed that actions from the HE SED included increasing student enrolment and enhancing student voice. LR confirmed that success rates and retention rates increased but pass rate decreased. It was confirmed that there was small class sizes and personalised plans.

A Member commented that the experience on the course may have been impacted by low student numbers. The College was in the process of reviewing progression routes due to the partnership with Derby University ceasing. LR confirmed a new offer required a business approach and although capital investment was a challenge, the area required a better environment for delivery. The aim was to deliver a better fit provision for both Macclesfield and the region.

ii. to approve the College's Annual Self-Assessment Report 2020/21

LR shared the College's Annual Self-Assessment Report 2020/21. LR explained that ZB had led the SAR process from a quality perspective. There was a new process and this was a curriculum led review. Each curriculum area had presented to the panel which had included an external panel member. The Annual Self-Assessment had resulted in a 'Good' grading. The SAR had been reviewed by an external consultant. MS and MW had also been part of the validation panel. It was agreed that the strategic plan had been implemented throughout the pandemic and most learners achieved well. Stakeholders agreed that the curriculum is mapped to skills need and delivery is responsive.

Key areas for improvement included enrolment on adult courses, to improve attendance, ensure effective work experience and increase staff engagement.

LR shared the Quality Improvement Plan that had been formulated in response to the College SAR. The plan will be updated with actions and shared at the January Corporation meeting.

Q: How many students did not reach EPA?

LR confirmed that this was 85 students equating to 7%. However, they will be rolled over.

Q: Do students require extra support?

LR confirmed that high achievers do well but a focus was for middle range students to achieve higher grades.

Q: Will this focus have an impact on staffing?

LR confirmed that there are different profiles but ensuring the middle band achieve higher grades was a teaching and learning focus rather than a supportive issue.

Q: Has the impact of Covid on students been captured?

The impact of Covid is measured against the planned end date for each student. The College received an Ofsted visit during the pandemic and this was very positive.

A Member commented on the concise and relevant SAR document.

iii. Safeguarding Annual Report (with student and staff data)

LR presented the Safeguarding Annual Report that was prepared by HH. LR explained that the Safeguarding Team is continuing to be increased due to need. LR reported a rise in mental health and attempted suicides. Safeguarding is embedded within all curriculum areas. LR reported that 10% of students access the Student Councillor. Students also gain support through the tutorial programme. All members of staff have safeguarding CPD. Members commented on the informative report and statistics. Members were reassured that students were getting the support they required and members of staff were receiving enhanced professional development.

61/21 College Calendar 2022/23

The College Calendar was received and approved.

62/21 Policies

The following policies were reviewed and approved:

Data Protection Policy 2021-2022

Health and Safety Policy 2021-2023

Subcontracting Policy

Anti- Slavery & Human Trafficking Statement

63/21 Governance

To review the recommended changes to the Articles of Association

RC informed Members that she had conducted a review of the Articles of Association in conjunction with Eversheds. A number of changes have been suggested. Changes to the Instrument and Articles are detailed as tracked changes within the report shared with Members of the Corporation.

These changes relate to the following: -

- Removal of headings relating to the legislation from the I&As as they are not required and make the document more user-friendly.
- Included the definition of “in writing” and “written” to allow meeting notices and minutes to be sent electronically rather than in hard copy. As drafted this included hard copy, electronic copy (e.g. PDF) and e-mail. It does not include other electronic messaging e.g. fax, text message etc.

- The previous wording included meeting by videoconferencing. This has been widened this to include telephone, video, or similar facilities. We have also clarified that those people attending virtually will be entitled to vote and count towards the quorum. Finally, we've added in wording which deals with the location of the meeting if a hybrid meeting is held (e.g. some physical attendees and some virtual attendees).
- Removed the transitional arrangements clause as the College has no current members who were appointed under the pre-2008 Instrument.
- Included wording to comply with charity law.
- This clause captures disqualification where the member has criminal convictions. We have included 7.9 in clause 7.11 so that should a current member be convicted, they are required to give notice of this.
- We have added drafting to allow a member moving to a more senior role to be appointed for a further two terms. As currently drafted, a member could have two terms, then a further two terms in a senior role.
- We have only added in termination where the Corporation is satisfied that removing the member is in the best interests of the Corporation. This way, we are not limited to issues of poor performance/misconduct etc, as these situations will be covered by this 'bests interests' provision.

In terms of the conflict provisions:

- The College retains the current wording with amendments to bring the clause in line with the current position (e.g. that approval in clause 10.1 needs to be sought from the Charity Commission not the Secretary of State). The benefit here is that the conflict provisions are all in one place and within the key College governance document.
- We recommend retaining the internal audit provisions.
- The Articles are required to contain provisions in relation to the dissolution of the corporation. We have added in the standard wording here.

Members of the Corporation reviewed and approved the Articles of Association.

64/21 Date and time of the next meeting

The date of the next meeting is 18 January 2022 at 9.30am.

Any Other Business

AS confirmed that the last Cyber Security meeting was cancelled and he had not received a new date. LR will liaise with DF.

SM confirmed that she had attended a recent staff governor training course with GW. SM stated that Macclesfield College was ahead of other colleges in relation to sustainability and collaboration with the local community. The recent landscaping project was highlighted. AE offered to link up with SM on any further opportunities.

Impact of the meeting:
New strategy/partnership relating to AEB. Launch of the Aspirations Academy. Comprehensive Safeguarding report and review of support in place for students and members of staff. Approval of the overall College SAR and grade 'Good' validated. Approval of the HE SED. Approval of the Financial Statements.

Review of HE and plans for new strategy in January 2022.
Impact of Governance visits.

Signed by Chair:	
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