



**MINUTES OF A MEETING OF THE LINCOLN COLLEGE BOARD OF CORPORATION
DEVELOPMENT DAY HELD AT LINCOLN COLLEGE ON TUESDAY 14 MAY 2024 AT 09.00
HOURS**

Present:	Ian Billyard Amy Conyard Mark Locking Mark Platts Tim Godson Farhan Ahmed Holly Clayton Don Dawson Ellie Denton Pat Doody Paul Milner Kerrin Wilson	Chair Principal and CEO Chair of Finance Committee and Vice Chair Chair of Audit Staff Governor Staff Governor Student Governor
In Attendance:	Sarah Adams James Foster Graham Harrison Jo Lynch Tom Marsden Jim Newall Jacqui Varlow Matt Vaughan Margaret Serna	Governance Officer Managing Director (International and Commercial) Chief Information Officer Chief Finance and Compliance Officer Chief Strategy and Transformation Officer Group Director of Marketing and Communications Chief People Officer Deputy Principal Chair of LCI Board
Apologies:	Evie Sadler Lucy Goodier Chris Jones Ashok Kumar Tom McKenzie Peter Price Charlotte Watson	Student Governor

60/23	APOLOGIES FOR ABSENCE Apologies were received from Evie Sadler, Lucy Goodier, Chris Jones, Ashok Kumar, Tom McKenzie, Peter Price and Charlotte Watson. The Chair explained that following an election for the position of Support Staff Governor that Holly Clayton had taken up the role. It was also explained that Don Dawson had taken up the role of Academic Staff Governor. Both were welcomed to the meeting. It was also explained that Lucy Goodier is taking a sabbatical until September 2024.
61/23	ELIGIBILITY, QUORUM AND DECLARATIONS OF INTEREST It was reported by the Governance Officer that notice of the meeting had been given and that a quorum was present. Accordingly, the meeting was declared open. The Governors were asked to raise any declarations if these became apparent during, or after, the meeting. No declarations were made.

62/23	<p>ACCOUNTABILITY AGREEMENT</p> <p>The draft Accountability Agreement had been circulated prior to the meeting. This is the second such agreement, and sets objectives and targets for the 2024/25 academic year. An update will be provided on progress in relation to last year’s document during the DfE Strategic Conversation.</p> <p>Updated destination data has been included. An additional section related to collaboration has also been included.</p> <p>Governors were thanked for the input already provided and asked that any additional comments are fed through prior to signing and submission at the end of June. The final document will be circulated by email to the Board for final approval.</p> <p>Action: comments to be fed in by the end of May</p> <p>The agreement will also be published on the College website.</p>
63/23	<p>LINCOLN COLLEGE PURPOSE AND FUTURE STATE</p> <p>ML gave a presentation and explained this was the time of year to review the purpose and strategy for the following academic year.</p> <p>The presentation included the following:</p> <p><u>Key Wins</u></p> <ul style="list-style-type: none"> • Ofsted Good with Strong for skills • Moving UK to forecast EBITDA positive for 2023/24 – it was noted that a three-year window was discussed at the ASC and therefore to reach the position this year was very positive • Completion of ASI at Newark – it was noted that a visit from KSA had taken place last week • Winning of ADI contract in KSA • ITQAN contract extension and backdated contract signed and funds received • Leadership reshape and restructure – this is still being finalised with Quality being undertaken currently. There will be some promotion opportunities available • More diverse governance team • Redefining a new Finance Team – this is ongoing with issues being addressed and JL is making good progress with this which has been a challenge • Capital and Revenue funding • Pay award for staff • Growth in student numbers – 11% this year 16-18 year olds – forecast of 6% for next year and applications are currently up against this time last year. It was noted there is a demographic decline in 2030 which is currently feeding through primary and secondary schools • New HE day with the aim to convert more students to HE • First representative for many years in World Skills – Dior Regan who is a painting and decorating student <p><u>Purpose</u></p> <p>The purpose has not changed and is now well established. Our future by 2025 which has been in place since 2022 will be due for a full review next year. Mindset – Ofsted commented that there is a good vibe with great staff and students</p>

Our Priorities

The priorities highlighted in green, amber and red were outlined.

Delivering Extraordinary Education and Training

Good integration with commercial training businesses including The Old Bakery and The Drill. It is expected The Drill will break even this year which is a big turnaround from when it was taken over. All students will receive free membership of Deans from next year and it will be run differently in future

Create Financially Resilient Colleges

- Some improvement needed in HE recruitment
- Diversification of international income, the ADI is an example
- Delivering against the 2023/24 budget – strong confidence in meeting the Q2 revised budget position.
- LCI position was explained and a lower EBITDA and £2.7m management fee. The costs related to this were outlined and it was explained the management fee will change annually in future
- Exploring strategic options for growth – there will be a paper coming to Board in July

Invest in our People and Resources

- Pay award, Christmas bonus, health and wellbeing developments
- To be a College of choice for staff and students – are we there yet? Example given of ASI and Newark as a whole with 37% growth overall in student numbers over the last 2 years
- HSE staff wellbeing survey with an overall positive result. It was explained this has been discussed at RP&C this week. Demands deep dive to be carried out with academic staff to see what the issues are on “demands” and what can be done

Increase Relevance of Education and Training

- LSIP and devolution
- HTQs – still some progress to be made
- HEART curriculum
- Positive message that Lincoln students (ASI) now go to Newark rather than the other way around

Develop Leadership and Governance

- Big change for both leadership and change of governors which has been positive
- Becoming an ‘extraordinary employer led organisation’ key is to “be the wow” and supporting teams to be developed

It was felt the overview was a good honest assessment. The Drill is certainly improving with more bands, etc and now needs to ensure the curriculum is more linked up.

It was suggested the main headings remain and that the detail is reviewed. Detail had been circulated with suggestions, options and notes following discussion at GLT and SLT recently. The Board carried out group work on the five headings.

It was explained the priorities need to sit at high level. These will be approved at Board in July and go live to the College at the start of the 2024 academic year.

	<p>Risks and Opportunities were highlighted to aid discussion. Devolution and budgets were explained and how this will work in future</p> <p>Discussion took place on collaboration with other education providers in the County. There has been a bootcamp being delivered in conjunction with Boston College. The Chairs and Principals are to be met with this term. There is also joint working with the NHS and the Colleges and Universities.</p> <p>The Board fed back suggestions on the priorities.</p> <p>TG explained a starting point should be considering why you do what you do, i.e. 'because you matter' 'where talented people belong' Try to get that message across.</p> <p>PD suggested asking key stakeholders for four words to explain 'what does the college mean for you'.</p> <p>It was agreed these could perhaps feed into the next strategy. It was felt that 'because you matter' or 'you matter because' can be the start of many sentences.... For staff, students, employers.</p> <p>[Farhan Ahmed left the meeting]</p>
<p>64/23</p>	<p>SINGLE TASK GROUP (STG) UPDATE</p> <p>MS gave a presentation on the work of the STG so far. The phase 1 and terms of reference were outlined. There was a focus on commercial undertakings and strategy, risk appetite, impact on learner experience and community, M&A and a deeper understanding of business models and financial performance.</p> <p>The current commercial structure was outlined.</p> <p>The Drill, The Old Bakery and HA were looked at in detail. The College are currently reviewing Deans. There are also other entities such as Aura, Sessions, Ravendale, Gainsborough and the Escape Rooms that bring in revenue.</p> <p>The group reviewed the business cases/submissions, interviewed relevant staff and reviewed progress. The passion of the staff involved were noted. Visits were made to subsidiaries, including as 'secret shoppers'. Financial and performance data was reviewed against intended outcomes including the requirement to report to Towns Fund Board. There was RAG rating against three 'C's (commercial, curriculum, community). It was noted this was subjective.</p> <p>Key Learning Points were explained including:</p> <ul style="list-style-type: none"> • Develop/refresh 3 – 5-year plans • Sector expertise – should we ensure this at Board level • Enhance governance – a commercially focused Board including financial oversight – including cost of delivery. How do you measure learner enhancement? • Would individual Boards have a different risk appetite to that of the Board of Corporation? • M&A, DD, etc time consuming and challenging • Conclude and implement VAT review – structure isn't optimised – JL is reviewing • Consider impact on GLT/wider team

Recommendations

- Establish a Commercial Board
- Appoint Directors to subsidiaries
- Recognise different models and subsidiaries out of necessity, ie Trust, Commercial business
- Review risk appetite on an annual basis
- Review structures annual

Phase 2 agreed objective was reported as:

To develop, test and critically examine structural options covering Governance, Corporate and Financial requirements that address the agreed challenges in the current structure taking account of key success criteria to provide a recommendation to the BoC by July 2024.

TG asked who might become Directors as this does come with a fiduciary duty and responsibilities that need to be taken into account. MS agreed highlighting stronger oversight on the entities would improve governance and performance.

The subsidiaries will still sit under the Group as a whole and therefore the Board do have responsibility overall. This would be the same as LCI Board that still reports in to Board.

MP asked how would this fit in to the main Board, will it come through Finance Committee prior to the Main Board – agreed it needed consideration in the new structure proposals. It was agreed there is the need to get the governance right. Also, scoping to have the capability and capacity for the future. Recognising breadth of the organisation.

What are the principles of what we are trying to achieve, what is the direction was queried. A framework of what would, and wouldn't, be looked at in the future would be an outcome and setting up the structure in advance and be proactive rather than reactive was highlighted as important.

[Amy Conyard joined the meeting]

65/23 FUTURE STRUCTURE OF LCG – BEING FIT FOR PURPOSE

JF gave a presentation following on from the STG to consider the potential future structure.

The STG focused on the work started by the previous governance group to look at financial efficiency, simplification – removing/amend obsolete structures (noting that there were reasons for the subsidiaries at that point), and to enhance governance and oversight.

There are a range of questions and options including from 'business as usual' to 'radical' including:

- Why change now
- Tinker
- Modest redesign
- Radical structural change

Best practice and other structures have been looked at across the sector.

The current position is that there have been changes made in relation to VAT, i.e. moving The Old Bakery and The Drill outside the VAT group. Simplification of subsidiaries has commenced, i.e. GLA Ltd is to be wound up.

A draft governance structure has been drawn up to test against. JL explained proposals that will come to Finance Committee following discussions with RSM, etc.

The challenges identified by the STG with the governance structure was explained including:

- Oversight of commercial activities, etc
- Horizon scanning – strategic thinking
- Ability to respond to future events
- Appetite and timeline for change
- DfE support for any change and ensuring MPM and legal requirements are met. Noting changes to I&A and standing orders is a big task and will take time
- Capability and capacity of the Board with the addition or more specialist co-optees

Priorities/Success criteria were outlined.

Potential model to consider was outlined which provides vertical Divisional Boards and horizontal cross Group Committees. JF explained one College that is a group with commercial activity is LTE Group which is the Manchester Colleges Group which has a Board in line with I&A but also has Divisional Boards and includes Committees to meet requirements, ie Audit, Remuneration and Search. There is also the ability to have a STGs and specialists.

TM gave example of ToR for Divisional Boards and how this might work as either a Board or Committee. For example, would Finance be a separate Committee or have representatives on each Board. There needs to be a way to escalate to Board. Main Board members may sit on Divisional Boards with the addition of co-opted members.

The Board carried out group work to respond to questions raised including:

- Quick wins
- What works well
- What could be improved
- Concerns and aspirations
- Risk appetite, timeline and cost
- Capacity and capability
- What else could we consider

Discussions will be fed back to the STG.

[Farhan Ahmed rejoined the meeting]

66/23 VISIONING – GROUP WORK

IB gave an overview of the 'Vision to 2040'. Questions were provided to aid discussion with the purpose of considering the direction of the College Group to 2040.

Background was given behind points suggested including links with other Colleges in the County, should Newark become the HE hub for the College, capital projects to include rebuilding Newark campus, ASI and LCI. All points to act as starting points for discussion and also to feed into a five year strategy from 2025-2030.

JF reminded the Board of the document circulated in relation to horizon scanning for LCI in KSA. Key points were highlighted including the Saudi 2030 vision and the impact this has already had. LCI updated its strategy in April 2024 up to 2030.

	<p>JF highlighted the Economic, political, environmental, social and technological factors and related timeframes.</p> <p>The ageing population in KSA was explained. Possible horizons in KSA over 5, 10 and 15 years were outlined. Challenges and opportunities and how LCI can respond to these was reported.</p> <p>It was noted that this year was 10 years of working with KSA and it was asked if something should be done to mark the occasion and this was agreed.</p> <p>Action: arrange 10 year celebration</p> <p>ML provided additional contextual factors to consider as part of visioning including:</p> <ul style="list-style-type: none"> • Demographics • Schools/academies/HEIs • Cuts in real-terms funding – which remain likely • Capital investment requirements • Devolution • Scale and efficiency with better quality education • Utilising talent pool and industry specialists • Curriculum alignment and possible campus specialisation • Declining HE market • County wide offer in apprenticeships and HE • Co-ordinated FE landscape across the County • Humber Freeport • West Burton Nuclear Fusion Skills Academy <p>PD asked if online/remote learning had been researched. It was explained this is developing but may be dependent on age groups. It was explained that a lot of the 16-18 year olds want to come into College rather than study remotely. FA gave his experience of the two different groups. The traditional university experience and a hybrid model that is being used for military delivery with options for blocks away, etc, also traditional part time provision which is moving towards more online provision.</p> <p>GH explained ‘threat of substitutes’. MV stated that robotics and automation will have a big impact on the curriculum. By 2040 this will be a major consideration.</p>
<p>67/23</p>	<p>FUNDING – INTERACTIVE QUIZ</p> <p>A quiz in relation to the breakdown of College funding was undertaken.</p>
<p>68/23</p>	<p>DEVOLUTION BRIEFING</p> <p>Tom M gave an overview. The process in D2N2 and election of an East Midlands Mayor was explained.</p> <p>Further background information is available via the following link: Greater Lincolnshire devolution deal - GOV.UK (www.gov.uk)</p> <p>Greater Lincs Devolution is looking similar to East Mids. Mayoral Combined County Authority with Council and District Councils underneath this.</p> <p>The adult/AEB budget will be allocated through the MCCA with a pot of c£12m. There is also a Devo capital pot of £12m initially.</p>

	<p>How do we position ourselves was discussed. The University will be a key institution and LEP priorities will continue.</p> <p>PD felt that the District Councils would be strong noting the population of the county dwarfs that of North and North East Lincolnshire.</p> <p>It was explained this is less than a year away but very little has taken place so far. PD explained that there has been a lot of work going on through the LEP.</p> <p>There will be more funding come though and therefore the College needs to be ready with ideas on how to spend this.</p> <p>It was asked if there were any working groups that could be sat on. It was agreed this would be helpful so any detail should be shared.</p> <p>ML gave some detail on the experiences in other counties. There are a number of private training providers that could pick up AEB funding.</p> <p>It was suggested that there is a paper and plan ready to be passed to the Mayor when they are appointed. ML agreed this was important and explained the D2N2 colleges had provided this in the East Midlands. This could be repeated together with a document from LC.</p> <p>Action: paper to be prepared in readiness</p>
69/23	<p>HUMAN ALCHEMY TRAINING SESSION</p> <p>This was postponed to a later date.</p>
70/23	<p>URGENT BUSINESS</p> <p>The Chair explained that he would be carrying out individual Governor Reviews in July, including a review of the Chair. The Governance Officer will send out forms to be completed in June and dates/times will be circulated. All Governors were reminded that this is an important part of the Governance process, particularly in relation to Board Effectiveness, and that reviews should be undertaken with all Governors.</p>
71/23	<p>DATE AND TIME OF NEXT MEETING</p> <p>The next meeting will be held Tuesday 16 July 2024 at 16.00 hours.</p>

The meeting finished at 17.00hours

Date:

Signed: