



#### Governors Present:

Lucy Arnold-Courtney	Moira Gibb (Chair)	Lindsay Nicholson
Donna Birkett Baida	Colin Jones	Alison Pike
Edward Breen (Staff Governor)	Simon Judge	Jill Westerman
Jane Cooper (Deputy Chair)	Christine Kinnear	Hayley White
Jon Gamble	Mark Lever	
Clancy Gebler Davies (Student Governor)	Mark Malcomson (Principal)	

**In attendance:** Paul Evans (Chief Financial Officer); Julie Gilbert (Executive Director, People); Wendy McKaig (Vice Principal). *For items 22/100-22/104 only:* Shachi Blakemore (Partner, Buzzacott)

**Clerk:** Katrina O'Sullivan

The Chair welcomed everyone to the meeting and confirmed that, due to the IT incident, governors had agreed for the scheduled 4:30pm informal departmental presentation to be postponed. Instead, that time would be used to discuss the IT situation.

#### Standing items

##### 22/91 Apologies for absence

It was noted that Simon Judge would arrive at 5pm due to a prior meeting commitment. There were no other apologies for absence received. Jon Gamble attended via telephone conferencing and the Chair confirmed that all were audible.

##### 22/92 Declarations of Interest

Jon Gamble made his usual declaration as a Trustee of WEA but there were no conflicts of interest to record. Colin Jones, Lindsay Nicholson and Jill Westerman declared an interest in item '22/106 *Membership*' and would be asked to leave at the appropriate time.

##### 22/93 Minutes of the previous meeting

The minutes of the meeting held on 18 October 2022 were **approved** as an accurate record.

##### 22/94 Matters Arising Not Appearing Elsewhere

There were no matters arising not appearing elsewhere.

##### 22/95 Updates:

- College update report
- Principal's update

The Principal explained that the draft College Update report was not able to be retrieved from the City Lit system due to the IT disruption. However, he expressed that although the update was different today than one week ago, he did not want to dismiss the good state the College was in and the achievements of City Lit since the last meeting and prior to the IT disruption. The remainder of the College update was convened under the confidential agenda.

#### Reports

##### 22/96 Quality Committee Chair's Key Points (21 November 2022)

The Board noted the Quality Committee Chair's key points from the meeting held on 21 November 2022. The Quality Committee Chair wished to particularly highlight to the Governing Body that the Committee had scrutinised the draft SAR and concluded that it was an excellent report, rich in judgement and analysis with a strong range of supporting evidence. The areas for improvement were considered in detail along with the associated Quality Improvement Plan. There had been much discussion about certain key points, in particular whether outstanding or good grades were appropriate for the two areas of Quality of Education and Leadership & Management, as members thought that these portrayed as outstanding. Following the discussion, the Committee agreed to

recommend that the overall grade of good, with sub grades of good (for Quality of Education and Leadership & Management) and outstanding (for Behaviour & Attitudes and Personal Development), be approved by the Board.

The Quality Committee Chair asked that governors revisit the conversation about good and outstanding grades at an appropriate time. Additionally, the Committee expressed that even though governors engaged with students in a raft of ways by taking courses, attending events, being in the building and receiving the rich reports from Management regarding the student voice, it wished to go further and possibly give the Student Panel the option to chat to the Quality Committee and/or Governing Body members prior to a Panel meeting. **Action:** It was agreed that these two items would be revisited at the appropriate meeting within the 2022/23 cycle of business.

#### 22/97 [Self-Assessment Report 2021/22 and Quality Improvement Plan \(including Appendices A-C\)](#)

Wendy McKaig thanked the governors who attended the departmental self-assessment moderation meetings - the contribution made by governors, along with the students who were able to attend, added value to the process. Governors enquired how the SAR would be shared internally and Wendy confirmed that it would be shared with departments once approved. It also formed a key document for Ofsted who would review it when inspecting; they would expect to see analysis of self-assessment/areas of improvement.

The Board reviewed the documents and agreed with the comments made by the Quality Committee. It expressed that the SAR reflected the College incredibly well and demonstrated that data was being used effectively with any achievements gaps analysed. Governors added that the SAR also illustrated the large range of partners and employers that the College worked with to support entry to a range of employments. The Board was pleased to **approve** the Self-Assessment Report 2021/21 and Quality Improvement Plan.

#### 22/98 [Quality Key Performance Indicators \(KPIs\)](#)

The Board reviewed the amended Quality KPIs as discussed at the Quality Committee and **agreed** they were appropriate amendments.

#### 22/99 [Finance & Commercial Committee \(FCC\) Chair's Key Points \(22 November 2022\)](#)

The Board noted the contents of the FCC Chair's key points with the majority of the items they had reviewed being on the Board agenda and in the confidential agenda.

#### 22/100 [Pensions Assumptions](#)

Members discussed Paul Evans' report regarding the underlying assumptions for the FRS 102 calculations leading to the disclosures in the Annual Financial Statements. The FCC Chair added that the Committee had reviewed the assumptions and was recommending it for approval. He highlighted that since the report was reviewed by the Committee, the external auditors - as expected - had asked for the actuaries to revise their report and take into account the inflation rise since the 31 March 2022 inflation rate assumptions used. Subsequently, the long-term inflation rate and calculation described in the original paper remained unchanged as the rates were set in line with market conditions as at 31 July 2022 and were not expected to change as a result of market conditions after this point. However, to allow for the high inflation experienced in the period from September 2021 and 31 July 2022, the 'Experience gain/(loss) on the defined benefit obligation' was increased from a loss of £120,000 to a loss of £2.813m.

The Governing Body **accepted** the actuaries' recommendation for the underlying assumptions for FRS 102 as recommended by the Finance & Commercial Committee.

#### 22/101 [Finance Key Performance Indicators \(KPIs\)](#)

The Board reviewed the Finance KPIs as discussed at the Finance & Commercial Committee and commented that they were as expected.

#### 22/102 [Audit & Risk Committee Chair's Key Points \(14 November 2022\)](#)

The Audit & Risk Committee Chair spoke to his Key Points report and the Board discussed and noted the contents with the majority of the items being for Board approval at the meeting.

## 22/103 [Annual report of the Work of the Audit Committee](#)

The Board was presented with the Annual Report of the Work of the Audit & Risk Committee which was a requirement under the Post-16 Audit Code of Practice. The annual report covered the academic and financial year 2021-22/September-December 2022 and summarised and effectively discharged the Audit & Risk Committee's responsibility for advising the Governing Body on the controls in place to ensure the adequacy and effectiveness of the College's assurance arrangements, framework of governance, risk management and control processes for the effective and efficient use of resources, solvency, and the safeguarding of assets.

The Governing Body discussed and **approved** the Annual Report on the Work of the Audit & Risk Committee.

## 22/104 [Financial Statements:](#)

- [Consideration of Going Concern](#)
- [Financial Statements for year ended 31 July 2022](#)
- [Annual Report & Accounts](#)
- [Buzzacott Post-Audit management report Letter of Representation to Buzzacott](#)

### [Consideration of Going Concern](#)

Paul Evans spoke to his report which set out the reasons why the Financial Statements should be prepared on a 'going concern' basis for the Governing Body to accept. He explained that due to the Covid-19 pandemic, going concern continued to be a significant issue for the College and, consequently, had been an area of focus again this year by the external auditor.

The Board acknowledged that whilst there was sufficient evidence to suggest that City Lit would continue in operation for the foreseeable future, there was material uncertainty related to going concern due to the impact of the pandemic on student fee income.

Governors discussed that compared to the same point last year, the College had stabilised and was reporting a positive EBITDA for the first time since 2018-19. The 2021-22 draft outturn was a deficit of circa £200k, a significant improvement on the prior two financial years, with reported losses of over £1m. City Lit had achieved savings totalling over £2m and the ESFA Financial Health rating had moved from 'Inadequate' to 'Requires Improvement', which was a key step of being taken out of intervention.

Paul reminded governors that Barclays had renewed the overdraft facility for a year (to 30 June 2023), whereas at the start of the pandemic they would only renew it every six months, which demonstrated that they had confidence in the business. City Lit was currently projecting to be cash positive for the year, with a projected closing overdraft position of £1m, which meant that the College would have significant headroom in the £3.5m facility.

Shachi Blakemore stated that whilst Buzzacott had provided an unqualified audit opinion, they had again added an additional narrative in their audit report which highlighted the material uncertainty related to going concern. She confirmed that Buzzacott do however still support the contention that City Lit is a going concern.

The Governing Body discussed the evidence and **agreed** that City Lit's Financial Statements should be prepared on a going concern basis as recommended by the Audit & Risk Committee and supported by the external auditor's work.

### [Financial Statements for year ended 31 July 2022 and Annual Report & Accounts document](#)

Paul Evans spoke to the financial statements for the year ending 31 July 2022 report and Annual Report & Accounts document. Governors reviewed the contents of the reports and **approved** these as per the recommendation by the Audit & Risk Committee. These had also been reviewed by the Finance & Commercial Committee and had its support. Governors questioned whether there should be something added into the Annual Report & Accounts document about the IT incident as it could potentially be material. Shachi did not believe so but would double check. **Action:** Shachi would report back to Paul Evans on this.

### [Buzzacott Post-Audit Management Report](#)

Shachi Blakemore presented the post-audit management report and findings outlined in her report. The Board reviewed the contents and thanked Shachi for attending the Governing Body meeting. The post-audit management report was **accepted** as recommended by the Audit & Risk Committee.

### Letter of Representation to Buzzacott

The Audit & Risk Committee Chair presented the College's Letter of Representation to Buzzacott and confirmed that the Audit & Risk Committee was recommending its sign off. The Governing Body reviewed the letter and gave its **approval** that it may be signed by the Chair of Governors on behalf of City Lit.

### 22/105 Governance & People Chair's Key Points (22 November 2022)

The Board noted the contents from the Chair's Key Points of the 22 November Committee.

### 22/106 Membership

*Governors with interests declared in this item and Management - with the exception of the Principal - excused themselves for this item.* The Chair spoke to the report which recommended that Colin Jones serve a second term of four years and continue as Chair of the Finance & Commercial Committee. The Board confirmed that it was pleased to **approve** this.

Additionally, when the Chair designate was appointed as a governor in May 2022, the Board agreed that hers and the Deputy Chair designate terms re-start from the December 2022 meeting due to taking on the Chair/Deputy roles from then. To that end, the Board **reaffirmed** that: 1) Lindsay Nicholson (Chair designate) commence Chair duties following the close of the 6 December 2022 meeting. 2) Jill Westerman (Chair of Quality/Deputy Chair designate) commence Deputy Chair duties following the close of the 6 December Board meeting also. Jill would continue as Quality Committee Chair.

### 22/107 Self-assessment: Chair/governor 1:1 summary report

The Chair had undertaken the annual self-assessment 1:1 meetings whereby she met with each member of the Board between August-September 2022. She had followed the question sheet which had also sparked other rich conversations with members. Following the 1:1s she produced a summary of the meetings for the Board's attention and members agreed with the spirit of the summary. **Action:** the Chair suggested that when Lindsay Nicholson took up post as Chair and the Principal, supported by the Clerk, meet to discuss and compose actions from the summary, and the Board agreed with this proposal.

The Chair added that the 'curious courses' team building event for governors held on 18 October had been successful and there had been suggestions in her 1:1s to repeat it again in the 2023 summer term.

### 22/108 Policies – for approval

The Board reviewed each policy as set out in the report and agreed the following:

- *Fee Remission policy* – **approved**.
- *Pound Plus policy* – governors requested that further work be carried out to reflect that pound plus was not just about resources (money) and there should be narrative included in this policy about celebrating City Lit adding value ranging wider than just generating money. **Action:** Management would work on this and bring back to the Board [May 2023].
- *Sustainability & Climate Change policy* – **approved**.
- *Data Protection policy* – **approved**. The Board suggested that it was sensible to review this again post-IT incident. **Action:** the Clerk would ensure this was reviewed by the Audit & Risk Committee at the appropriate time.
- *CCTV policy* – **approved**.
- *Freedom of Information & Publication Scheme policy* – **approved**.
- *Student Complaints policy* – **approved**.

### 22/109 Committee Terms of Reference (ToR) review:

The Clerk's report outlined that each Committee had reviewed its Terms of Reference at the November meetings and made minor changes to them. It was envisaged that further work would be undertaken to reflect current government and sector policy and brought back again within the 2022/23 cycle. The Governing Body reviewed the updated Terms of Reference for each Committee and was content to **approve** these.

22/110      **Date of the next meeting:**

The date of the next meeting was confirmed as **14 March 2023, 5pm at City Lit**. The departmental presentations would also be resuming for the first time since Covid; with the first taking place before the next Board meeting at 4:30pm. These were informal and not mandatory for governors to attend but, pre-Covid, governors found them useful and allowed an even deeper understanding of areas of the College's curriculum.

It was the Chair of Governors and Deputy Chair of Governors last meeting before retiring from the Board. The Governing Body and Management gave enormous thanks to them for their years of leadership and support. Due to the IT incident the Chair/Deputy Chair felt that it was inappropriate to go ahead with the planned drinks reception but this would be rescheduled in the new year once City Lit was able to recover from the disruption.

It was noted that, as planned, following the end of the meeting that Lindsay Nicholson would formally take over as City Lit's Chair of Governors and Jill Westerman as Deputy Chair; the Board/Management looked forward to working with them in this capacity.

Chair.....

Date.....