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PART 2 – CONFIDENTIAL MINUTE
(in the public domain by 2 December 2020)

Directorate:	Corporation	
Minutes of:	Extraordinary HCUC Governing Body	
Date:	Friday 13 November 2020	Time: 5.00pm
Venue:	Remote meeting via Zoom video conference	
Present: (by video-link)	Nicholas Davies Melissa Bridge Steve Cochran Tracey Critchley Darrell DeSouza Johanna Morgan Alasdair MacLeod Steve Owen Amanda Priem Ketan Sheth Paul Walker	Governor (<i>Chair</i>) Uxbridge Staff Governor Governor (<i>Vice-Chair</i>) Harrow Staff Governor Governor (<i>Group CEO and Principal</i>) Governor Governor Governor Governor Governor Governor
Apologies:	Simon Boulcott Nasim Khan Mariann Rand-Weaver	Governor Governor Governor
In attendance:	Pat Carvalho Dylan McTaggart Shane Woodhatch Tracy Reeve	Harrow Principal and Deputy CEO Deputy Principal HCUC Group Director – Finance & Resource Planning Clerk to the Corporation

1. Apologies for absence

Apologies had been received from Nasim Khan, Mariann Rand-Weaver and Simon Boulcott.

2. Notification of any urgent business Members may wish to raise under any other business, and any items to be taken as read that Members may wish to discuss

- **Incident with Harrow Student**

The meeting was extremely saddened to be informed that a science student attending Harrow College had been fatally stabbed the evening before at Northwick Park station. Initial intelligence suggested that the perpetrator was from a local school. Principal Harrow (PC) informed the meeting that the victim's cohort would next be onsite at College on Monday 16 November and support would be available for these learners. The Chair asked that Governors be kept informed of any updates in relation to this terrible incident.

NOTED

- **Covid-19 Death in service**

The CEO (DDS) told the Governors that with deep sadness and regret he had to inform the meeting that Dr Mansour Mohammad a long-time Engineering lecturer at Uxbridge College, passed away over the weekend at Hillingdon hospital, having taken ill a few weeks ago. Dr Mohammad, so highly regarded by his colleagues and those that knew him, was completely

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dedicated to his work at College and to his students, who in turn, revered him; he had been teaching at UC since 2000. DDS affirmed that Mansour was one of the College 'stars'. He would be greatly missed and remembered with such fondness. The Chair and all the governors expressed their condolences and the Chair informed the meeting that he would write to his wife and family on behalf of the Corporation. The meeting was informed that the funeral cortege had driven passed the College and staff and students had been outside; there would be an all college memorial service (via Zoom) on Monday 30 November.

NOTED

- **Principal Harrow/ Deputy CEO resignation**

PC informed the meeting that she would be leaving HCUC in the spring 2021 as she had been successful in her recent application for the CEO role at Birmingham Metropolitan College. This news was not yet in the public domain so Governors and Staff Governors were asked to maintain confidentiality. PC assured the meeting that staff would be informed early next week. Governors were assured that PC would work all of her 6 months notice and would be fully committed to any merger discussions with RuTC; this would not lead to a capacity issue within SLT. The meeting congratulated PC on her appointment but expressed disappointment at losing her from the EMT.

NOTED

There was no other business notified.

3. Notification of interests Members may wish to declare relating to any item

No specific interests were notified.

4. Minutes of the Governing Body Meeting held on 22 September 2020

The Minutes and any matters arising would be carried forward to the next timetabled Corporation meeting on 8 December 2020.

ITEMS FOR DECISION/ APPROVAL

5. Exploration of merger options with Richmond Upon Thames College

The CEO reminded Governors of the full background and timeline of discussions that had taken place with regard to possible collaboration between HCUC and Richmond Upon Thames College (RuTC). Governors were reminded that HCUC had been approached by the FE Commissioner's office in March 2020 to inform the college of the Structure and Prospects Appraisal (SPA) process that was being undertaken in relation to Richmond Upon Thames College (RuTC). Governors noted that approximately a dozen institutions were similarly approached and these had already been vetted for Financial health (Good+) and Quality (Good+). Interested parties were invited to submit expressions of interest (Eol). After consideration of both the potential opportunities that RuTC offered in the West London area and also the potentially adverse impact on HCUC that may arise through competition, especially with regards 16-19 learners, HCUC chose to submit an EOI (late June). The meeting noted this initial Eol paperwork which had been included as background reading for Governors. Management were subsequently informed that HCUC was to proceed through to the next stage of the process, which in turn required a full submission in terms of merger proposal against the Evaluation criteria provided by RuTC and informed by various data and resources. The SLT were informed at that stage, two other institutions were also involved, South Thames College Group and Roehampton University. In addition, RuTC were also considering the standalone option available to them. Over the summer period there were opportunities taken (by ND, SC and DDS) to visit the Twickenham campus site (July), which allowed them to view at first hand the impressive new main building and the estate that was also due for further development and refurbishment. Following the campus tour, other members of the Exec Team at HCUC joined a remote session for discussion and Q&A. In addition, a subsequent finance 'workshop' (July) was arranged by the FEC/RuTC to provide further information (attended by SW and SC). A reciprocal

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visit to HCUC (Uxbridge campus) took place (August) and following a tour of the campus and facilities, there was an opportunity for the HCUC team to present its position, followed by Q&A. In addition, also in August, the Chair (ND) and Vice Chair (SC) had an opportunity to discuss matters with the Deputy FE Commissioners (FEC) and the full submission was subsequently made on 5th October; a copy of this detailed submission was noted by Governors. The College was subsequently invited to proceed to the final stage, which was a presentation to the RuTC Steering Group on 3rd November. After this final presentation from the last two 'candidate' colleges, at their Meeting on Wednesday 11 November the Corporation of Richmond on Thames College passed the following resolution:

RESOLVED: The Board noted the recommendation of the FE Commissioner and resolved to explore merger options with Harrow College and Uxbridge College (HCUC). The Board noted the FE Commissioner's request to agree a target date that is realistic and timely and resolved to explore a merger completion date.

The Chair (ND) commended the work that had gone into the merger discussions, the EoI. The full submission and the final presentation. It was a great achievement that RuTC had chosen HCUC as preferred partners, especially as they were also considering a stand-alone option. ND believed that the success of HCUC's bid was due to the anecdotal evidence from the HC and UC merger and how staff never felt 'taken over'. The merger principle of being 'better together' had appealed to RuTC.

The Vice-Chair (SC) supported this view and asserted that he believed there was a very strong fit between the two colleges geographically and culturally. He also stated that he believed the timing was now right 3 years post-merger for HCUC to look at further opportunities for collaboration.

In order for Governors to consider this potential collaboration some of the key advantages for HCUC were highlighted as:

- Extended reach within West London – forming a West London 'Arc. Equally, ensuring competitions' reach is not extended into HCUC travel to learn areas.
- A state of art purpose built main Twickenham campus – with strong local brand & governance - attractive to learners, employer and local community
- No major RuTC financial debt being carried as a result of the capital build
- HCUC has strong reserves as a College Group, but Financial performance of each constituent College will remain transparent and accountable for delivering targets
- Potentially a more stable overall base for the College group in the medium to long term
- Good synergy between RuTC – HCUC curriculum and identified areas of development for RuTC.
- A strong potential 16-18 base, including A level offer.
- Extended reach for developing the WL IoT and HE provision as well as other vocational and technical provision
- CPD, sharing of talent and best practice. HCUC staff progression opportunities.
- A potential to widen employer and business network and contacts and overall contribution to London economic recovery
- RuTC had a very strong enrolment in September 2020 and were on an upward trend in learner numbers; probably due to the new management and the attraction of the new building.

As well as the benefits of the merger DDS highlighted the issues that any merger partner for RuTC would need to contend with:

- RuTC low cash base and poor previous financial management (since the FEC intervention, this had now stabilised)

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- The ongoing Covid-19 impact on both the projected income and the capacity to deliver a successful merger by the Aug 2021 timescale.
- HCUC would be required to carry merger costs, with minimal – and likely no - financial assistance from DfE.
- Meeting the GLA targets, plus the staff & non-pay savings identified in the budget projections.
- RuTC required improvement to Quality of the provision; it was currently rated as Ofsted grade 2, but their current SAR was at Grade 3.
- Completion of the estate development and refurbishment project – within the finances budgeted for.

The meeting discussed the proposal in detail and all of the above benefits and challenges. Governors also noted that there was a priority around the digital and technical skills curriculum at level 3, 4 and 5 in Twickenham which would work to support Institute of Technology (IoT) recruitment. There was also no conflict in terms of catchment area – the geography did not overlap to any great degree so there would be no negative impact on HCUC. DM confirmed that the SLT strongly believed that they had tried and tested processes to remedy all of Areas for Improvement in terms of quality at RuTC. DM highlighted some of the current quality issues as: poor value added; poor progression rates; a lot of subject sector areas below national average; weak quality tracking and reporting systems; and a lack of joined up thinking on their Quality process. HCUC had demonstrated improvement in all these areas since merger in 2017. One other area where RuTC needed to improve was within employer engagement and work experience; HCUC had great systems and considerable experience in this area. Governors asked whether there were areas of RuTC provision that HCUC could learn from. DDS confirmed that the Catering provision at RuTC – especially with LLDD learners – was excellent and HCUC would seek good practice examples. The same was true of Performing Arts at RuTC.

The Group Director Finance and Resource Planning went through the financial KPIs in some detail. The worst case scenario for a new group would be a deficit of £287,000 in year 1 but this would still maintain EBITDA at 8.19%. The meeting was reminded that HCUC EBITDA had been at 12.1-13.1% during the last 3 years. Staff costs for the new group would be at 66.3%; an acceptable level. SW highlighted that the new organisation would continue to be cash generating with cash reserves up to £33.1m at the end of 2023/24. The impact of the Teacher Pension Grant was highlighted and that the first year outcome would be substantially worse if the new group did not receive a TPS grant. SW confirmed that he was comfortable with the financial predictions but there would be further work to be done in terms of reducing the staffing costs as a percentage of income at RuTC. The meeting was given assurance that there were savings to be made in Corporate Services as with the previous merger. SW also informed the meeting that the College procurement consultancy Tenet, believed that there would be non-pay savings due to economies of scale; Tenet saved £1.2m per annum after the last merger and believed that they could repeat this scale of saving. Governors were also assured that any financial reporting post-merger would clearly show the 3 colleges separately to ensure all 3 achieved break-even; HCUC would not support any ongoing loss from RuTC. Governors expressed some concern that a merger would wipe out HCUC surplus for 2021/22 but noted that there were considerable benefits in the longer term and the finances stabilised after year 1. The positive additions to the HCUC balance sheet with the £60m RuTC new build was also appreciated. Governors sought, and were given, confirmation that RuTC had capacity to grow their learner numbers within the current built estate. PC confirmed that the college did have spare capacity beyond the current GLA number agreed. Governors challenged on whether RuTC would be able to compete with local sixth-forms student numbers but the SLT asserted that the College already had good transport links and a wide-reach to a range of learners across London. The meeting noted that there was also considerable scope to increase progression rates for internal students within FE and into HCUC HE provision. The SLT were challenged on whether there was an element of optimism bias in the proposal; they agreed that this might be

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possible but the rigorous work done on financial implications and quality led them to believe that the strategic opportunities for HCUC outweighed the risks. The HC Staff Governor asserted the importance of remembering the success of any merger was contingent on how the staff at the dissolving college perceived it. DDS reminded the meeting of the 'better together' mantra which would help allay RuTC staff fears about a 'takeover'. He also informed Governors that the RuTC management had met with their union representatives on the previous day to inform them of the decision. The impact on staff at RuTC was discussed in some depth and the need for a well thought out communications plan would need to be put in place to allay staff uncertainty or fears at both colleges (HCUC and RuTC). The positive career progression opportunities within a larger group might help to allay negative attitudes in HCUC staff.

In moving to this process of due diligence Governors asked whether the SLT had a post-merger review document from before which outline lessons learnt; ***the Clerk was not aware of any such document but would look back through the archive.*** The meeting agreed that a process of due diligence would be key to ensure a successful merger and that the next steps should be implemented through a Joint Steering Group (JSG) as with the previous merger. It was also noted that the JSG would work with an external project manager to identify and monitor progress with the pre-merger workstreams in each college. The use of an external project manager was seen as key by Governors who would otherwise be concerned about capacity issues within the SLT. The Chair asked any Governors interested in being a member of the Joint Steering Group to contact him. Governors felt very supportive and also a sense of nervous excitement at the prospect of this new collaboration. DDS reminded the meeting that the success of the previous merger had been recognised by the FE Commissioner and HCUC was now perceived as the best College in London. The meeting supported the proposal to move to the next steps of merger exploration.

The Corporation APPROVED the following resolution:

- ***That HCUC should move forward and explore merger options with Richmond Upon Thames College.***
- ***That a Joint Steering Group should be set up to take forward merger discussions and a Due Diligence process.***

6. To confirm the dates and times of the meetings for 2020/21 (via Zoom for the foreseeable future)

- Tuesday 8 December 2020 at 4.30pm
- Tuesday 30 March 2021 at 4.30pm
- Wednesday 28 April 2021. Training and Planning Day, 8.45am (SSC Members to be invited.)
- Tuesday 18 May 2021 at 4.30pm
- Tuesday 6 July 2021 at 4.30pm

ANY OTHER BUSINESS

7. Any other business as previously notified

There was no other business.

The meeting closed at 6.35pm.

Signed

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Date.....