

Extraordinary Board meeting
Wednesday 11 November 2020 17:30-19:30
Teams
Draft minutes

Board	Independent Governors: Ian Valvona (Chair); Sue Kingman (VC); Andy Chew (VC); Elaine McMahon (interim CEO and Principal); Vincent Neate; Rosh Sellahewa; Mike Sutcliffe; Jim Marshall; Alex Gallagher; Helen Litvak Staff Governors: Neal Hook; Cait Orton. Student Governors: Japneet Kaur; Hamish Murray
In Attendance	Jason Jones (Deputy CEO & Principal, Curriculum and Quality); Ian Rule (Interim Finance Director); Alison de Lord (AP HR & OD); Sheila Fraser-Whyte (Executive Director, Business Development & Innovation); Chris Dearnley (ESFA) (observer); Sarah Connerty (interim Governance advisor)
Apologies	Helen Litvak; Alex Gallagher

Item	Item Description	Action
1	<p>Welcome and apologies Apologies were received from Helen Litvak and Alex Gallagher.</p> <p>The Chair noted that this is an enormously important Board meeting for colleagues to discuss and vote on whether to accept the recommendation of FEC Commissioner to explore merge with Harrow College and Uxbridge College (HCUC) following the recent conclusion of the SPA. The Chair welcomed Board colleagues, FEC deputies Andrew Tyley and Frances Wadsworth and Chris Dearnley from the ESFA to the meeting.</p>	
2	<p>Declarations of interest Declarations were noted from staff and student governors and attendees for item 3 as staff and student members at RuTC.</p>	
3	<p>FE Commissioner (FEC) Structure and Prospects Appraisal (SPA) outcome recommendation The Chair noted that the extraordinary Board meeting has been convened to note the recommendation of the FE Commissioner and to resolve to explore merger options with Harrow College and Uxbridge College (HCUC). All colleagues have received as part of the meeting a letter from the FEC to the Chair which sets out some rationale and thinking behind the recommendation. The Board is also asked to note the FE Commissioner's request to agree a target date that is realistic and timely and to resolve to explore a merger completion date. The Chair explained that he had written a note for the meeting as it is an important conversation and he did not want to miss any key points. He welcomed the fact that the FEC led SPA is over. It has been a good and thorough process and he thanked the FEC and ESFA colleagues for this, but it has taken some time to conclude which amounts to uncertainty for staff. RUTC is a great college. It is rated Good by Ofsted, has just completed an amazing new build that staff and students are settling into and enrolment has gone up again this year on an upward trend from last year. He noted that he could give many more positive examples. The Chair noted that he had joined the College less than nine months ago. Notwithstanding some of the challenges, some of which have been reduced, the question of the Colleges' future in structural terms was a finely balanced one. Through the start of the first lockdown thinking has evolved across the SPA process and the pandemic and the question has become more about how do we lock in the strengths of this College and ensure it remains a great College when the future is uncertain in the medium and long term. The Chair noted that the College could stand-alone but there are significant risks, there are risks in merger, but in his view less risk and more benefit in</p>	

merger. The Chair explained that he had referred to the medium and long term because he very clearly noted a concern about the pressures of merger in the short term, capacity and the pressure of a pandemic and the Board would supply their own answers on mitigating these risks.

The Chair explained why he was supportive of the FEC recommendation. HCUC has a very strong financial position, in Ofsted terms it is Outstanding and its quality and record on employer engagements is impressive. He believes these areas are positive to the experience of RuTC's staff, students and communities. He referred to a former RuTC colleagues view that a merger would amount to hardwiring in the background. There are already early reassurances from HCUC about the RuTC brand and identity, senior leadership and governor churn and a generous offer for RuTC governors to sit on the board and a strong position for affordable pay increases and promotions for staff.

Merger as a risk mitigation is not enough and there does need to be more incentive, such as mitigating the risk of a merger in a pandemic and being very clear on the opportunities for staff and students. He suggested that options currently not being taken forward on the estates programme should be looked at, course delivery for the future recognising HCUC strengths, and curriculum and strategy for the group are some areas for focus. These areas need to be worked up with a number of different workstreams culminating in a vision statement in the public consultation statement. At this point colleagues will be properly able to test as a Corporation the opportunities it presents.

The Chair noted that he will be voting for and recommending the FEC recommendation and is looking forward to conversations beginning with staff and students.

The Chair asked for the views and perspectives of all governors starting with the Principal and CEO.

EM provided feedback on behalf of the CLT who as a team recognise the government's policy on the long-term sustainability of the sector and the fact that in two years' time RuTC may not have the same opportunity with this merger partner. The process has given time to reflect and analyse opportunities to move forward. She was glad to see the feedback in the FEC letter on the standalone proposal and the strides in quality the College has made and recognises that compared to HCUC the College's budget and cashflow is low. RuTC is on a journey to financial recovery and this is an opportunity to take that journey in a different direction. EM highlighted what the College is proud of and what it would bring to a merger:

- Students choose a college for its reputation, brand and its buildings and RuTC scores well on this with a significant increase in student numbers over the last two years and a 28% increase this year
- It has a state-of-the-art building, a STEM building which is on track to be delivered on time and a sports hall being refurbished
- It has improving quality and success rates which have gone up significantly from last year
- Financial recovery is going well and will be delivered
- It has fantastic networks and partnerships arrangements (REEC)
- Staff work exceptional hard and are understandably proud of their College

The Key Question that CLT considered when assessing the case for merger between HCUC and RuTC was as follows:

'Will being part of a large College, located on sites in the North and South West of London, enable improved sustainability for RuTC, with more secure long-term employment for staff and an improved student experience?' The answer to that question was YES, potentially, but we would need to ensure:

- Identity and values to be retained
- RuTC name to be retained
- New buildings to be delivered as planned
- Finance and quality – systems and processes that are going to be strengthened faster
- Any structural changes are clear, and the implications are understood
- Local accountability is retained

- Local economies of scale are consulted on. EM explained that, in order to remain financially viable the College has had to let staff go and is operating on a lean staff structure and this needs to be considered as part of merger discussions
- The Board has outstanding governors and CLT would want to see six go forward to a new Corporation board
- Communication is critical in a two-way direction from the colleges
- The merger to be of two equal partners with recognition that RuTC would be a jewel in the crown for HCUC

EM noted that HCUC are the best possible merger partner for RuTC at this point in time and provided some examples of their strengths:

- They have a reputation for excellence in London and nationally and the CLT would want the College to join with the best
- Their educational case is strong, they have Outstanding Ofsted reports, a proven curriculum and quality model that delivers rapid improvements with Harrow College having significantly improved since the merger with Uxbridge College
- They have high profile and cutting-edge initiatives. RuTC wants to deliver T levels and be part of the West London Institute of Technology - merger would enable this to be realised
- Financial performance is strong with good surpluses delivered over a number of years

EM noted that HCUC would need to work with the College and to have shared values as a group, recognise the need for local accountability, support and build on the College's quality improvement plans and student outcomes and build on its robust partnerships. An increase in collaborative projects could increase RuTC's widening of participation and increase students' progression into employment and HE. CLT would want to test these points out as the two organisations come together. CLT were impressed by HCUC's comment: *'Colleges become a dynamic nucleus in their communities – to ensure local needs are met, colleges maintain their local identities and foster a sense of ownership and belonging for staff and students.* CLT see that as a positive way forward to maintain RuTC's identity and be a catalyst for positive change in the future.

SK reported that the Chair and IV had both put forward similar arguments to her own and she was supportive of the recommendation and the reasons being put forward. She felt the partnership would provide better longer-term outcomes for students and the College. She noted the risks and the concerns about how the process is resourced. Focusing on the opportunities and positives HCUC should be a fantastic partner and support in all the things RuTC wants to become. Thought is needed about how to work through the merger process to retain the College as intact as it possibly can be and allow the College to interact as positively as is possible.

AC noted that his views had already been provided by the Chair, EM and SK and he was supportive of the recommendation cognizant of the risks, particularly in the short term.

JM noted that he had approached the decision by thinking about students and staff of the College. The longer term must give the students and staff better opportunity through a merger. Risks in the short term, particularly Covid19, really need to be understood and managed carefully. Looking at it as Chair of Finance and Resources Committee the financial position of HCUC is very strong with net assets and budget considerably bigger than RuTC which will give that security from the strength of their balance sheet. He noted that he is supportive of going forward.

MS noted that he is supportive of the merger which in the long term would give great advantage. He thanked EM for her leadership in pulling the College together which has put the College in a much stronger position. From a student and staff perspective he felt it would give the best results for them. HCUC gives a really strong brand and good way forward and will bring in other brands the College could interact with. It is a vehicle to move the College on. In the short term there is real risk. Staff are already stretched with business as usual and Covid19 and having two parallel

workstreams interacting with the College for merger is a risk that needs to be managed to allow the College to get the best result from the potential of the merger.

VN noted his views as Chair of the Audit and Risk Committee (ARC). He reported that risk is different from uncertainty and the uncertainty of the pandemic is there whatever decision is taken. Going forward working on a positive project is the best way to deal with any uncertainty and he noted that he is very much in favour of the recommendation being mindful that the College and Board do not take their eye off the ball on core business. He thanked members of the Board who put all the work into the SPA process to bring it to such a straight forward conclusion.

NH felt the recommendation was very positive while recognising the risks and felt that as a Board and College it would allow the College to grow and that in the medium and long term the College will progress and students will gain a lot from the merger because of the good practices in place at HCUC.

JK reported that she saw the merger in a good way. HCUC has a great reputation and amazing programmes for studies. Knowing colleagues that work and study there she has an insight into how things are, and the effort and quality of the teachers is outstanding with every teacher putting in efforts to support students, really caring about them and how they progress. As a College's top priority is to provide good education, she felt that it would be a great way for the College to benefit and supported the recommendation.

CO noted that it would be an opportunity for the College to grow what it does well and develop strengths. The College's reputation with stakeholders would be enhanced and it would build the quality journey and point the ship in the direction of outstanding. Subject to due diligence and assurances from CLT and capacity and resourcing for the process CO felt that it is the right decision at the right time for the College and supported the recommendation.

HM noted that he was supportive of the merger and looking at the recommendation from a student point of view HCUC's financial position and its educational case which is highly rated by Ofsted he felt it would be beneficial for the College and its students.

RS noted that a lot of his thoughts had already been covered and on balance he was supportive of the recommendation. He noted that his main point was to reflect on the amount of progress the College has made over the last five years. The biggest driver for this has been around leadership and, following a number of years of turmoil, the College is at the phase now where it is relatively stable and underpinning this has been leadership. There is a fantastic interim team in place but there is a risk that if the College does not secure strong permanent leadership it would not maintain its positive trajectory. RS noted that HCUC would give a sense of stability to move upwards and, overall, he supported the recommendation. The Chair thanked RS for his support to the College over the last five years.

The interim governance advisor noted that the SPA process had been led by the FEC. The Board's governance of its processes was thorough and transparent and led by the Chair. All governors included co-opted governors were kept up to date with Steering Group business and summary reports to the Board. Four of the five Chairs sat on the Steering Group alongside the Principal and attended site visits with potential partners. In terms of openness staff and stakeholders were kept informed of the progress of the SPA. A proper process took place to consider and recommend the standalone proposal. Throughout the FEC led SPA the Board have fulfilled their duties as governors by maintaining their commitment to act in the best interests of staff, students and the community.

The Chair thanked every member of the Board for their work and contributions and the Board voted on the FEC's recommendation.

	<p>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.</p> <p>The Board unanimously voted in favour of the resolution.</p> <p>The Chair asked colleagues if there are any other comments or questions.</p> <p>AC asked that the Board express their thanks to STCG for the effort and energy they expended in exploring merger possibilities and that where there are competing curriculum and cohorts in future the colleges could look at complementing rather than competing. The Chair agreed this is a really good point and would give STCG's chair a call as a courtesy at the end of the process.</p> <p>FW noted that it is testament to the work the College has done to get itself to this position that it had such strong partners to work with. The College is at a great jumping off point to take things further. She echoed VN's point about moving forward in the face of adversity and not missing this opportunity. The insider view from the staff and student governors was helpful and she applauded the governing body for taking the opportunity and being mindful of the risks. She noted that HCUC has experience of merger and has thought through the process but the College should be entirely mindful of the risk. She thanked the College and Board for the journey they have been on and hoped that the merger is not seen as anything other than a next step and a real opportunity. She noted CO's comment about it coming as a right decision at the right time and hoped that some of the difficulties the College has faced have led to a point to take it even further forward. The Chair reiterated his thanks to FW, AT and the ESFA team.</p> <p>The Chair asked what the Board would expect to happen next. He noted that he would communicate in confidence to HCUC the outcome of this evening's meeting and get from them confirmation that they will be holding a meeting of their own Board with a mirror resolution. At this point he would like a joint statement to go out and hope this can happen soon. There will be an extraordinary meeting of the Search, Remuneration and Performance Committee on the 17 November to look at the next steps and it is hoped that conversations between RuTC and HCUC's Chairs and Principals can take place prior to this committee to feed into the discussions. He explained that as the point of the process is around partnership further details haven't been put together yet, but he is attracted to the idea of a joint implementation committee which is chaired on a revolving basis by both chairs. He noted the FEC reference to a shadow board and an independent chair and this will all be discussed with HCUC for their views and a consensus reached. Appointment of a project manager, financial and legal due diligence, setting of milestones and a phase of statutory consultation will all be key parts of the process.</p> <p>AT agreed that a line on communications with HCUC will be really important over the coming days and weeks. [confidential note]</p>	<p>Chair</p> <p>Chair</p> <p>Chair/ Principal</p>
4	<p>The meeting dates for 2020-21 were noted as follows: 9 December 2020; 24 March 2021; 14 July 2021 Holding dates: 27 January 2021; 28 April 2021; 10 June 2021 (all 17.30 starts)</p>	
5	<p>Any other business</p> <p>There were no other items of business. The Chair noted that this is an exciting opportunity and that there are risks that need to be considered further. He noted how pleased he is that a decision has been made this evening and thanked all attendees at the meeting.</p>	

Meeting closed: 18.26