

**Minutes of the Corporation Meeting
Thursday 28 March 2019
Tower Board Room, Bedford**

Present: Roger Marriott (Chair) Ian Pryce
Alasdair Simmons (Vice- Allan Schofield
Chair) Sheila Selwood
Casandra Daubney Alasdair Simmons
Helen Day
Richard Dimpleby
Noel Gray
Greg Guilford
Mark Lawson

In attendance: Pat Jones (Director of Finance)
Em Lowe (Vice Principal)
Stephen Walker (Financial Controller)
Minutes: Rachel Nicol, Director of Governance &
Clerk to the Corporation

Action

C/1/19 Apologies for absence

Apologies were received from Stewart Briggs, Tom Brown, Eva Harper and Shaun Wilson.

C/2/19 Declarations of Interest

There were no declarations of interest relating to the matters on the agenda.

C/3/19 Matters arising

There were no matters arising not covered elsewhere on the agenda.

It was however noted that items would be taken in a different order to that set out on the agenda.

C/4/19 Assurance reports from Committees

The Chairs of the respective committees introduced their reports.

Audit Committee

It was reported that the potential to repeat the value added by governance audit had been discussed but was not considered necessary. The internal auditors will however seek to carry out further evaluation of Executive feedback on governance during other audits.

The internal auditors and Executive will scrutinise management responses to ensure the appropriate level of detail is included in future reports, including confirmation on whether actions have been taken or not. The timing of reports will be reviewed to facilitate this.

Assurance was given that where management has confirmed a review will be carried out the recommendations are accepted. It was agreed that management will receive more training on the assurance required for the Board and that responses will be scrutinised prior to submission of reports to the Committee. The Executive confirmed that responses are tracked to ensure they are implemented.

PJ

The paper on business continuity was noted to be strong but the Committee has requested that business impact assessments are carried out and reflected in the strategy.

Resources Committee

The Financial Regulations were reviewed and amendments proposed with subsequent approval from the Corporation by written resolution.

The potential for further benchmarking was reviewed and it was explained that management are concerned about the contemporary nature of the information held by the benchmarking company. The Executive are exploring alternatives to obtain the information required.

Progress on Wellingborough was outlined and it was reported that a decision had been taken not to apply for European funding due to barriers to complying

with conditions.

The Capital programme had been outlined referencing feedback from learners and requirements for curriculum equipment and facilities.

An updated draft People Strategy was reviewed and further work is being carried out.

The Committee explained that the interim HR director role is a caretaker role and that the timescale for re-presentation of the People Strategy will be reviewed. The interim HR director will focus on the plan for 2019-2020.

An update was given on the IT Strategy and the direction given by the Committee on learner involvement.

The Board will seek an update on the current year plan and implementation of current systems in due course.

The Board questioned whether the IT Strategy will be re-presented with an implementation plan when the Executive have had time to consider the competing priorities.

The QSA Committee had reviewed the plan from the learning and teaching perspective. The plan was considered to be operational but without specific target dates.

The QSA Committee view was that a larger piece of work is required to develop the strategy as part of the new strategic plan.

In conclusion it was recognised that the IT plan requires a high level strategic overview. Some aspects have been identified as urgent, including business systems but other areas require development time. *The Executive agreed to review the IT Strategy and provide an outline paper to the Board to meet the Corporation's requirements for an IT Strategy.*

Executive

It was anticipated that the paper will cover the

development of current strategy to 2021/2022 articulating the priorities. Areas for consideration were outlined as; systems development, hardware, software, communication, VLE and fit to strategic plan and in particular the curriculum strategy, security (penetration testing), integration of business facing and learner facing systems, own server versus cloud. The paper will establish the context of the strategy with reference to the sector.

QSA Committee

The Chair of QSA summarised the report. While the Committee had reviewed areas of risk it was confirmed that they were satisfied with management actions taken to address those risks.

The reports were noted

C/5/19

College Information Report

The February report had been circulated by email prior to the meeting and the movement since January was explained. The reduction in planned income of £2 million was outlined. The factors contributing to the reduction were explained in terms of; 50 percent attributable to ESFA growth bid, The balance was explained in terms of a reduction in apprenticeship income including; impact of legacy learners from third party providers, fewer new starts, withdrawals and late achievement.

Assurance was given that the Executive have discussed the position at length with the Director of Apprenticeships and are monitoring the planned actions to address the issues.

It was also recognised that there are downward trends in a number of curriculum areas being closely monitored by the Executive for 2019/2020.

Financial performance against the key performance indicators were highlighted including the income position, the staffing position and cash. Assurance was given that banking covenants are being met.

The ESFA report and financial dashboard were

provided to the Board and they noted the assessment of outstanding financial health in 2017-2018 with the planned financial health status as “good” for 2018-2019 being achievable.

The Board further discussed;

- How the reduction in apprenticeship numbers is being monitored and responsibility for the quality of the apprenticeship provision. It was explained that the Head of each delivery area is responsible for their apprentices. A review of procedures is being carried out to ensure they are appropriate to reduce the numbers leaving.
- Speed of action required to mitigate the loss of 16-18 learners.
- Recruitment and retention of learners.
- The relationship between the central apprenticeship team and curriculum areas.
- Clarification on the potential to introduce flexed budgets and the likely impact. Consideration is being given to a pilot scheme to run a flexed budget in parallel with an existing budget to enable budget holders to see the impact of loss of income on their own area.
- Staffing costs, the number of staff in relation to the budget, relationship to vacancies and the affordability of the establishment.
- The impact of the merger and relationship with funding.
- The requirement for a further discussion on recruitment.
- The impact of the pension adjustment which is shown as underpay on staff costs.
- The amount of potential claw back on the staffing budget. The Executive are reviewing vacancies on a weekly basis.
- Clarification as to whether the funds identified on apprenticeships will be recovered. It was recognised that the front end of the process requires work and that this is in progress.
- The increase in teachers’ pension costs and the assumption of the grant receipt for the first 9 months. The current impact is estimated to be in the region of £500 to £800k grant funding but with significant costs thereafter.
- General robustness of the data presented. The

Board sought assurance on the accuracy of data following some inconsistencies in the data presented at the QSA Committee. The Principal provided assurance that data is being closely monitored by the Executive.

- Recruitment and retention and actions being taken in apprenticeships and HE.
- Cash balances, the Board asked what the risk level is around cash. Assurance was given that the risk is being managed and that there is sufficient coverage of bank covenants.

The College Information report was noted.

C/6/19

Progress against strategic priorities

The Principal & CEO presented the report at agenda item 7.

Highlights were provided including;

- Shortlisting of the Director of Finance as Leader of the Year at the TES awards.
- Award for Teacher of the Year.
- Student success in National Clothing awards.
- Additional intake of year 7 students at BCAT due to high demand for places.
- Progress on agreeing the curriculum offer, timetables and staffing for 2019-2020.
- Impact of merger on presentation of results.

The dashboard was tabled and the following explained;

- The attainability of the plan numbers and relationship with the budget.
- Reduction of 19 plus apprentices.
- The review required in relation to retention.

The Board further discussed;

- Any implications of the growth of BCAT Limited and Wixams activity on Bedford College. It was acknowledged by the Board that BCAT Limited is a separate legal entity but that given the involvement of Bedford College, as a member and in providing support, it is appropriate for

them to monitor broader reputational issues. A separate progress report covering strategic and reputational issues will be presented at a separate meeting. IP

C/7/19

Medium Term Financial Strategy 2019-2020

The Director of Finance presented the report and confirmed there had been some changes since receipt of the settlement information. The following were highlighted;

- Movement in income.
- The planned percentage of staff costs to income (agreed at 60% by 2020) will be reviewed following the curriculum planning exercise.
- Work to compare earnings and staff costs per learner. The information generated, together with quality considerations is facilitating discussion and revision to budget models across campuses.

The Board further discussed;

- Whether a revised MTFS predicated on the rebased position will be available in May. It was acknowledged that the cash flow is carried out towards the end of the process.
- Whether the payroll assumptions assume no teachers' pension grant beyond initial period
- Whether there is any sector data on payroll costs available for outstanding colleges. It was explained that although some information might be available any data will be heavily impacted by subcontractor provision.
- The impact of the MTFS on learners and staff and how this will be managed. The cost base will be modelled and managed as far as possible organically by identifying areas where staff leaving will not be replaced. Once the extent of the cost reductions required are known the likelihood of redundancies will be established.
- Flexible budgeting and the impact on redundancy decisions.
- Increase in curriculum pathways and how

- penalty on the area weighting.
- Impact of growing pathways, the requirement for staff and ensuring developing areas are not penalised.
- Communication with staff—assurance was given that the position is communicated to all staff at termly meetings on each campus with opportunities to ask questions.
- Assurance on the accuracy of payroll data. Confirmation was given that the payroll data is accurate but the analysis of FTEs has been impacted by the HR system capability.
- Plans to recover loss in income.
- Curriculum design and class size targets and whether this creates a risk of refusal of learners. It was confirmed that central controls provide the opportunity for flexibility and growth while managing the risks.

A revised MTFs will be provided to the Resources Committee in May for further review.

The Board questioned whether the predicted numbers could be considered optimistic given underlying issues around the quality of the data from CIS and HR. The Executive recognised that greater scrutiny is required over the loss of students.

The Board asked whether it is possible to provide a comparative picture with other colleges on loss of students in the first 6 weeks. It was confirmed that there is no availability of comparative data. The Board further discussed the ability to assess the impact of advice and guidance on student numbers and consideration will be given to how this might be carried out.

It was agreed that the QSA Committee will follow up the position on advice and guidance and look at the impact on retention.

The report was noted

C/8/19

Strategic Planning update

The Chair summarised the activities on the Board Development Day on 28 February, in particular the

expectations of the Board in respect of the outcomes.

It had been agreed to roll forward the current strategic plan in the short term to allow for a further period of stabilisation following the merger, more detailed analysis to support the longer term strategy and settlement of national influences impacting the sector.

The Executive will provide to the July Board meeting;

- **Propositions on how the existing plan will be rolled forward with a revised trajectory on numbers.**
- **A timeline and priorities for the preparation of a revised Strategic Plan to commence in September 2022.**

Allan Schofield left the meeting

C/9/19

Fees policy and associated changes

The Financial Controller attended and the Board confirmed they had read the paper. The changes since the last report were outlined including;

- The introduction of annualised fees.
- Increase in the minimum value for an instalment option.
- Availability of refunds on withdrawal within 14 days of teaching commencing.

The Board questioned;

- Whether any significant financial risks have been identified as a result of changes. Assurance was given that the Financial Controller has carried out a comprehensive review of local providers and no significant risks have been identified.
- Where the level of administration fees are detailed. It was confirmed that the administration fee is in the annual schedule but not set out in the policy.
- The impact of the Consumer Rights Bill. It was reiterated that the College Policy is to maximise income but assurance was given that the Policy now represents fair practice.

The Corporation approved the Fees Policy.

C/10/19

Update on safeguarding, Equality & Diversity and Health & Safety

The paper was presented by the Vice Principal responsible for the three areas.

Good progress was noted in all areas. The governor who has joined the Safeguarding Committee was thanked. Reference was made to the increase in safeguarding referrals but it is not considered as a concern.

Mental Health was discussed. Peer on peer abuse is now being monitored but the sample at the moment is small and therefore no trends have been identified.

Action taken in respect of two safeguarding incidents involving staff were outlined and assurance given that the Police and other agencies have been notified as appropriate. Amendments have been made to the Professional Boundaries Policy with further guidance being given to staff around the use of social media.

Work is also being done with students to ensure both staff and students are protected. The individuals involved had received training and the response and investigation of incidents was timely. Anecdotal evidence was presented that other staff impacted are satisfied with the action taken.

There have been no Prevent referrals but all users of the IT system are monitored for key words. The sensitivity of the system is being moderated.

The Board further discussed;

- Whether the percentage of referrals has been benchmarked. The difficulties in measuring and categorisation makes comparisons difficult. EL will check referrals as against previous years.
- Reputational impact in respect of incidents. Communication is taking place with students, parents and staff with coordination with LADO.

EL

Helen Day left the meeting

Equality and Diversity

GG has attended meetings as a governor and reports to the Committee are being developed.

Work is being done with employers and impact assessments being carried out in respect of the construction of the Wellingborough site.

Work on learning walks and observations is positive in this area with guidance being given to staff on embedding Equality and Diversity where required.

Clarification was sought on the diversity ambassador model with both curriculum and support areas embracing the model.

Reporting on Pro monitor was discussed and it was confirmed that there are no gaps in reporting. The employment application form has been altered in line with Keeping Children Safe in Education 2018

Health and Safety

Increased training in first aid was highlighted. The Head of Health and Safety is developing the lock down procedure and it will be reviewed in Executive.

Links with safeguarding and the difference between lock in and lock down and the links with communication protocol were discussed. The complexities were acknowledged and an update will be provided in due course. Assurance was given that advice is being taken from the Police and other appropriate agencies and messaging will be explored.

The Chair thanked the VP and relevant directors and heads for a comprehensive report.

The report was noted.

C/11/19

Draft capital programme

The report was presented by the Director of Finance. It was noted that the programme may need to be reduced due to the cash position.

Highlights were provided including potential estates planning around;

- Brunel site
- Use of Football pitch at Kempston
- Expansion of space at Bedford Sixth Form
- Potential for and affordability of cladding of Tower block.
- The rolling toilet refurbishment programme.
- Capital equipment renewal including tractors and minibuses.
- Building construction schedules.

Ian Pryce left the meeting

The Board further discussed;

- Rebasing of capital programme following finalisation of the MTFS.
- Commitment of funds to 2021 and extent of flexibility.
- Provision for dilapidations on termination of leases.
- Update on VAT with zero rating agreed on Corby and Wellingborough learning centres.
- The impact of the reduction in capital funding on the ability to complete the Wellingborough project. Assurance was given that all required facilities are available but can be developed when there is more funding.
- SEMLEP funding progress.

The report was noted

C/12/19

Risk Register

The report was presented with significant risks highlighted. One risk is increasing in score due to a quality intervention at the Bedford Sixth Form.

The Executive are monitoring the escalation of concerns and are raising awareness on the use of the College's central complaints processes. Linked

indicators such as absence management and service issues are also being reviewed.

The Board questioned whether additional risks should be added in relation to the management of data and the teachers' pension.

The Board further discussed the nature of concerns around the processes, the impact on data and how the different elements can be dissected from enrolment onwards.

The Board discussed whether it might be appropriate to appoint an interim to lead a review. It was however concluded that the scope is so large that it is more appropriate to tackle components internally based on specialism. Consideration will be given to allocating responsibility for different strands.

Executive

The Board sought assurance that the College Information system is appropriate and that there are people with the relevant skills to develop the system as required.

The Board concluded that the College needs to agree how the system issues can be resolved prior to the Strategic planning process. It was agreed that the issues will be discussed with the internal auditors in order to agree future actions.

C/13/19

Governance update

The Board confirmed they had read the report at agenda item 12.

The Board noted the following written resolutions;

- a. 26.11.18, approval of Fees and Pricing Policy**
- b. 22.11.18, Silverstone Academy Trust; re-appointment of UHY as auditors, approval of articles, ratification of Principal as Trustee (first circulated in August but recirculated to ensure the requisite number of responses**
- c. 17.12.18 Approval of the Instrument & Articles, Standing orders and Code of**

Conduct
d. 15.03.19 Approval of Financial Regulations

The Board noted the documents sealed in 2018-2019 set out in Annex A to the report.

The Board noted progress on the recruitment of a Director of HR and that interviews will take place on 25 April 2019.

The recruitment of governors was discussed and the leaflet circulated for final comments. It was explained that the Chair had written a letter for use to companies.

The Board discussed the most appropriate individual within companies to receive the letter and leaflet. It was agreed that Chief Executives should be approached but also that key contacts and HR leads should be contacted.

A copy of the proposed letter will be circulated to the Board for comments. RN

The Board was asked as member of BCAT to endorse the appointment of Anthony Abrahams as a director of BCAT Limited following a panel interview with members of that Board.

The Board approved the appointment of Anthony Abrahams subject to the normal recruitment checks and authorised the Chair to sign the necessary resolution in due course.

C/14/19

Governance update on associated undertakings

The Board confirmed they had read the report and the revised articles for subsidiary companies and Management and Services Agreements.

It was confirmed that the agreements and revised articles had been prepared by Eversheds solicitors following discussions at Resources Committee and instructions provided by the Corporation.

The Corporation agreed that in reliance on the

advice and work carried out by Eversheds they were content to approve the documents as drafted.

The subsidiary companies would then be asked to sign the agreements.

The Board further discussed the mechanism for receiving assurance from the subsidiary boards and the relationship with the overall Group Strategy. The Board had previously requested a Commercialisation Strategy from the Executive.

It was noted that annual reports are now received from the Subsidiary Boards but that further work is required to ensure the Corporation receives relevant and sufficient information to monitor the activities of the subsidiary companies, manage the Group Strategy and discharge their responsibility in respect of the overall effectiveness of the Group.

The Board confirmed they maintain the right to appoint directors including nominating a governor to sit as a director on a subsidiary board.

The Board noted the work being carried out on the Central Services Agreement between Bedford College and BCAT Limited.

The Board noted the update on Silverstone UTC.

C/15/19

Minutes

The minutes of the meeting held on 13 December 2018 were agreed as an accurate record of the meeting.

Meeting closed.