



Minutes of the Meeting of the Corporation, held on Monday 1 July 2019, 6.00pm in the Boardroom

- Present:** Mark Farrar (Chair)
 Mark Bass (Vice Chair)
 Yvonne Kelly (Principal/CEO)
 Andrew Brown
 Evelyn Carpenter
 Stuart Fraser
 Sarkis Mazmanian
 Bal Panesar
 Doug Trengove (Staff Governor)
- In attendance:** Wijay Pitumpe (Chief Finance & Enterprise Officer)
 Janet Curtis-Broni (Executive Director – People & Organisational Development)
 Maxine Deslandes (Director of Finance & Estates)
- Victoria Eastwood (Clerk to the Corporation)

- 1. Welcome and apologies for absence**
 The Chair welcomed all those present to the meeting. Apologies for absence were received from Forhad Altafi and Lisa Dee.
- 2. Declarations of Interest**
 Governors were reminded of their responsibility to declare an interest in relation to specific items on the Agenda if appropriate. Evelyn Carpenter and Andrew Brown declared an interest in Agenda Item 6 – Governance Update.
- 3. Minutes of the Previous Meeting – Monday 30 April 2019 and Notes from the Strategic Planning Event of the same date**
 The Minutes of the previous Meeting held on Monday 30 April 2019 were agreed as a true and accurate record. The notes of the Strategic Planning Event held on Monday 30 April 2019 were also agreed as a true and accurate record.
- 4. Matters arising**
 An update on outstanding actions from the April Meeting was provided:

Agenda Item	Action	Responsibility	Timescale	Update
C/f	The implementation of a document management system be considered.	CFEO/Clerk	ASAP	Ongoing as part of GDPR

C/f	Online training to be completed by all Governors.	All	ASAP	Ongoing
7.	Principal/CEO to provide an update on CEIAG at the July Corporation			A CEIAG strategy is being developed and will be presented at the next meeting of the Performance and Standards Committee.
7.	Progress on N2I's to be provided at the June Performance & Standards Meeting.	Principal/CEO	June Performance & Standards Meeting.	Complete
8.	Principal/CEO to consider asking the Local MP to write to the OfS on behalf of the College.	Principal/CEO	ASAP	OfS contacted the College shortly after the Corporaion meeting and a meeting has taken place. The College are awaiting an outcome.
9.	The IoT project to be a standing agenda item for Corporation meetings.	Clerk	ASAP	Complete
11.	Detailed cash flow to be provided at the June P&R Committee.	CFEO	June 2019	Complete
12.	Bank contingency budget of £354K with immediate effect.	CFEO	Immediate	Complete
12.	Two year cash flow (including key numbers driving this) to be provided within	CFEO	Immediate	Complete

	the management accounts.			
12.	Three year forecast to be provided to the June Policy & Resources Committee including mitigations within the budget.	CFEO	June 2019	Complete
12.	Summary of business units to be provided at the June Policy & Resources Committee Meeting.	CFEO	June 2019	Complete

5. Chair's Actions

There were no Chair's actions to report.

6. Governance Update

Andrew Brown and Evelyn Carpenter declared an interest in this Agenda Item.

The Clerk advised that the appointment of Bal Panesar and Carole Ditty had been approved via email and would now be formally recorded in the Minutes.

The Corporation were informed that Elaine James had resigned from her position on the Board after over 20 years' service and Governors thanks and appreciation to Elaine was recorded. The Clerk stated that the Determination of the Corporation was now at full complement, however, Elaine's resignation had resulted in vacancies within the Committee's she served. Consequently, a review of Committee membership had taken place and the following was suggested:

- Andrew Brown to change membership from the Policy & Resources Committee to the Performance & Standards Committee to assist in ensuring detailed scrutiny on the curriculum and quality of the College. Carole Ditty will replace Andrew on the Policy & Resources Committee.
- Evelyn Carpenter and Andrew Brown to join the Remuneration Committee to strengthen the Committee in light of the Senior Staff Remuneration Code

After consideration, the Corporation unanimously approved the above amendments to the Committee structure.

The Clerk also advised that Elaine had been the Safeguarding Governor and this role alongside a designated Governor for Equality & Diversity would need to be replaced going forward. In addition, although the Search Committee had sufficient membership as per its terms of reference, it would be beneficial for this Committee to be strengthened. The Corporation were asked to consider these positions and notify the Clerk if interested.

The Chair referred to the reference to the Code of Conduct. The Clerk advised that the Code of Conduct had not been revised for some time and had been amended to bring it up to date. The amended version would be uploaded to the Boardpacks portal for Governor comment and approval.

**Approved: Andrew Brown to become a member of the Performance & Standards Committee with effect from the 2019/20 academic year.
Evelyn Carpenter to join the Remuneration Committee as from the 2019/20 academic year.**

**Action: Amended Code of Conduct to be uploaded to BoardPacks for Governor comment and approval.
Governors to consider the positions of designated Governor for Safeguarding and Equality and Diversity and membership of the Search Committee and notify the Clerk if interested.**

7. Corporation Self-Assessment

The Clerk thanked Governors for their participation in both the self-assessment and appraisal processes. She advised that due to many additional factors, Governor self-assessment had not been prioritised in previous years but a more rigorous process was now in place. The Chair added that the last two years had been a period of transition and the Corporation had come a long way in that time.

The Chair referred to the areas assessed and highlighted the proposed actions. The following comments were made for consideration:

- Focus on aspects of the curriculum, academic importance
- E&D – section for information to be included in the papers
- KPI's for the Governor dashboard to provide live information
- The October Corporation meeting to focus on 'closing off' the 2018/19 academic year and be focussed on curriculum
- Corporation succession planning to be considered
- Business cycle to align to quality cycle

The Clerk advised that the feedback from the self-assessment process, strategic planning event and appraisal process would now form the Corporation training plan and curriculum links programme for 2019/20.

Approved: The Corporation agreed that the actions suggested were sufficient to address the areas for improvement and the comments above be considered.

8. Revised Corporation Meetings Schedule 2019/20

The Clerk stated that the meetings schedule for 2019/20 had been revised to include an additional Performance & Standards Meeting in October to ensure continuous focus on curriculum and quality. All Committee meetings had been scheduled to feed into the relevant Corporation Meetings and Corporation Meetings and Strategic Planning Events would now be held on separate days to allow sufficient time for discussions.

The Corporation approved the revised meetings schedule for 2019/20.

Approved: The revised meetings schedule for 2019/20 was approved.

9. Search Committee Report to the Corporation from the Meeting held on 01.05.19

The Chair reported that membership of the Corporation had moved forwards with the appointment of both Bal and Carole. He informed the Committee that the Search Committee had interviewed a third candidate but it had been agreed that their current skills did not align to those required by the Corporation at this time. The Corporation were reminded that diversity of the Board was always considered by the Search Committee.

An update was provided on the recruitment of Student Governors. Andrew Brown stated that students needed to better understand the role of the Corporation and it would be beneficial for a mentoring process to be put in place.

It was agreed that it would be useful to link Student Governors with Board mentors and also the Executive Team. Andrew Brown and Bal Panesar offered to assist with mentoring.

Action: Mentoring programme for Student Governors to be put in place when appointed.

10. Performance & Standards Committee Report to the Corporation from the Meeting held on 11.06.19

The Chair of the Committee reported that discussion had focussed on student support, progress made within English and Maths and the current position of the OfS including future options.

The Vice-Chair of the Committee stated that a very interesting discussion had taken place focussed on SEND and how the College was the preferred provider for high needs and SEND support for 11 Local Authorities. The Committee had discussed the pressure of growing numbers on facilities and resources in context of the Infrastructure Strategy.

In response to a query from the Chair, the Chief Finance & Enterprise Officer (CFEO) confirmed that the Infrastructure Strategy would commence in the new term. There were many variables to take into consideration making it difficult to provide a completion date for the strategy.

The Principal/CEO stated that to support the growth in SEND and high needs learners, refurbishment to F Block was taking place. REACH Supported Internships had been developed for 2019/20 which would provide enhanced progression routes for High Needs learners who had reached their academic potential.

It was noted that the College was awaiting an update from the OfS from the meeting held on the 23rd June 2019.

Agreed: That the current position be noted.

11. Policy & Resources Committee Report to the Corporation from the Meeting held on 26.06.19

The Committee Chair reported that the Committee had discussed in detail the items on the Agenda and that these items were included for approval or further discussion at the Corporation Meeting.

Agreed: That the current position be noted.

12. Audit Committee Report to the Corporation from the Meeting held on 11.06.19

The Committee Chair advised that the Committee had received and noted the changes to the 2018/19 Post 16 - Audit Code of Practice.

The Corporation were informed that reasonable assurance had been given for three of the

internal audit reports and substantial assurance for one. There had been some challenge over assessment of the grade for the Governance and Risk Management recommendations given that there were six low recommendations. Clarity was provided regarding risk appetite. It was noted that the majority of recommendations had been completed.

The Chair referred to the amber assurance rating for the Safeguarding report. The Committee Chair clarified that a couple of DBS checks had passed the three year renewal cycle. The College was now investigating whether the system could automate the dates of expiry to prevent this issue reoccurring.

The Committee Chair advised that discussion had taken place on the need for more detailed commentary to be included for deferred actions to explain why the dates had been reviewed.

It was noted that the Audit Plan and Whistleblowing Policy were approved by the Committee.

Agreed: That the current position be accepted.

13. Annual Budget and 3 Year Financial Forecast

The CFEO advised that the Policy & Resources Committee had discussed the annual budget and three-year forecast at length but had not been asked to approve them as the third year cash flow had not been available for the meeting. That information was now included for the Corporation. The budget was showing an operating surplus of £350,000 after allowing for a general contingency of £500,000.

The CFEO asked the Corporation to endorse the final objectives, which were approved by Governors in July 2018, and it was confirmed that no changes had been made. This was unanimously agreed.

The Corporation were informed that FE funding was going through significant change and the economic climate was unstable. The Policy & Resources Committee had noted that the budget was prudent and cautious but there were opportunities e.g. growth from IoT; Mayors Construction Mark including TUCA; TfL; Londoneast, GLA, Riverside Housing Development etc, however, as there was no quantifiable certainty with these opportunities they had not been included in the budget. In addition, IoT income & expenditure would be considered as a project and incorporated into the budget at a later date.

The CFEO reported that there were unavoidable cost increases such as utilities, business rates, subscriptions and pension costs. In order to future proof the college, re-prioritise the curriculum offer to align with funding bodies' requirements and LEAP/GLA priorities and to support the new developments, savings needed to be made circa £2 million. The following strategies used to achieve the savings identified were highlighted as follows:

- Achieving the operational deliverables, as set out in Strategic Directions
- The deletion of posts considered non-essential to the planned service and curriculum delivery in line with business planning.
- Savings from non-pay budgets
- Savings on non-recurrent costs from 2018-19 to 2019-20.
- Average class size increases
- Increase in blended learning for some areas and higher levels
- Clustering of common units delivery

The Corporation were advised that the Teachers' Pension Scheme had been valued to increase to 23.8% which would be an additional cost c£0.5m for the College. The

Department for Education (DfE) had confirmed that funding would be received to cover this increase for next financial year but future years would be dependant on the spending review going forward. The LGPS had also been valued and the results were expected in Autumn. The current view of the Local Council was that contributions may not increase for the College but this was not confirmed.

The CFEO stated that a section 188 was taking place within College and the process would be completed by 31 July 2019. Potentially 21 FTE redundancies were expected but redeployment to other areas would be offered where possible. The College was budgeting to achieve an operating surplus of £350,000 which was before deduction of FRS 102 adjustments.

Bal Panesar referred to the staff redundancies within English and Maths. The Principal/CEO advised that these were because of changes in the delivery model. The College had purchased an online learning tool to assist in a blended approach to learning rather than using face-to-face specialists. Mr Panesar questioned whether outcomes would be maintained and improved. The Principal/CEO replied that students would be able to access the online learning offsite, which would assist in learning for apprenticeships and provide a more user-friendly approach for students. In addition, there had been a change to the condition of funding for English and Maths next year - if a learner achieved Functional Skills L2 they would not be required to achieve a GCSE.

The CFEO confirmed that the College was targeting a £350K surplus and highlighted the key assumptions contained within the budget.

In response to a query from the Chair, the CFEO stated that 'other income' levels c500K plus referred to additional SEND learners.

The Chair stated that tightening on expenditure would be required this year and again next year as a drop in income could easily occur.

Stuart Fraser questioned the impact of the OfS decision if the result was unfavourable. The CFEO advised this would be a risk. Prescribed HE and non-prescribed HE would need to be separated. The Principal/CEO added that the risk would be mitigated by franchising the courses.

In response to a query from the Chair, the CFEO stated that c50% costs would be the bottom line damage.

It was agreed that an analysis of the options, if an OfS decision was unfavourable, to be provided at the next Board Meeting.

Bal Panesar asked for the current view of projected student numbers for next academic year. The CFEO responded that the College expected to achieve current students number targets.

The CFEO referred to the Financial Forecast for 2020/21 advising that the financial objectives were in line with ESFA guidance. The College would maintain a sound financial base to be able to meet the financial performance criteria needed to maintain a financial health category of 'Good' to 'Outstanding'. The outturn this year and budget for next year would remain as 'Good'. With regard to financial health calculations, the College currently had good marks for borrowings and current ratio and were 0.5% (which amounted to c£50K) from being classed as 'Outstanding.' The Chair added that this emphasised how tight the budget was for next year.

The CFEO reported that the target outturn for 2020/21 was £579K and referred to the forecast assumptions. Although there was anticipated growth in the Borough, the forecast remained cautious. 5% reduction for AEB took into account the potential impact of devolution, funding alignment to priority learners as set out by GLA planning documents and uncertainty due to BREXIT. The budget for Advanced Learning Loans had been reduced as only £550K of £800K target had been achieved this year. There was a moderate increase in Levy income.

The CFEO referred to the cash flow forecasts advising that the forecast of £4.3m for 2018/19 was cautious and this could improve. In response to a query from the Chair, the CFEO clarified that the dip in July payments was in relation to D Block.

The Chair stated that going forward, a regular tracking of a year or two forwards was required.

In response to a query from Stuart Fraser, the CFEO confirmed that the sensitivities would be monitored through the dashboard.

With reference to a query from Sarkis Mazmanian regarding the D Block loan facility, it was agreed that the remaining loan facility be reported at the October Corporation Meeting.

The CFEO advised that the 3 year forecast & cash flow must be submitted to the ESFA by the end of July 2019.

The Chair thanked the CFEO and Director of Finance & Estates (DOFE) for their thorough analysis. **The Corporation endorsed the Financial Objectives 2019/20 and approved the following:**

**Approved: The Revenue and Capital Budget 2019/20
The Financial Forecast& cash flow 2018/19 – 2020/21**

Action: Analysis of the options, if an OfS decision was unfavourable, to be provided at the next Board Meeting.

Action: Update on position of D Block loan facility to be reported to the October Corporation Meeting.

14. Financial Regulations Annual Review

The DOFE reported that the Policy & Resources Committee had discussed the Financial Regulations in detail and recommended them to the Corporation for approval. The Financial Regulations remained unchanged from the previous year.

It was noted that an amendment to change Data protection to GDPR was requested at the Policy & Resources Committee and this would be made.

Evelyn Carpenter referred to point 8.1.4 and advised that the Policy & Resources had discussed modern anti-slavery processes and procedures and a review of the use of the London Living Wage.

Taken into consideration the recommendation of the Policy & Resources Committee, the Financial Regulations were approved.

Approved: The Financial Regulations were approved for future use.

15. Barclays Variation to Agreement

The Corporation were provided with a letter of variation from Barclays Bank PLC setting out

the amendments to a facility agreement dated 11 December 2018.

The DOFE clarified that the variation referred to the original loan facility approved in December 2018. This loan facility was not taken immediately and the variation advises that there is now a three year time span to access the loan.

IT WAS RESOLVED

- 1. that the amendments set out in the Letter of Variation were at the time of the Acceptance, and continue to be, in the interests of and for the benefit of the Borrower and most likely to promote the success of the Borrower for the benefit of the members as a whole and that such amendments and the terms and conditions of the Letter of Variation be and are approved and accepted with retrospective effect;**
- 2. that the Acceptance by the Signatory of the Letter of Variation and all the terms and conditions thereof and all of the amendments made to the Facility Agreement thereby are hereby ratified and confirmed with retrospective effect; and**
- 3. that the Bank is authorised to act in all matters concerning the Facility (as defined in the Letter of Variation) as amended by the Letter of Variation upon instruction from the Borrower, in its capacity as Borrower of the Facility, signed in accordance with the Bank's mandate for any of the accounts of the Borrower held with the Bank current from time to time and any such instructions given prior to the date of this meeting are hereby ratified and confirmed with retrospective effect.**

16. OfS Update

It was agreed that this Agenda Item be Minuted Confidentially under Instrument 17 (2) (d) due to the commercial sensitive nature of discussions.

17. IoT Update

The Principal/CEO reported that the College was in dialogue with Queen Mary re confirming the IoT brand, however, in order to achieve the brand the licence must be completed.

The Principal/CEO communicated the IoT Vision to Governors provided detail on the IoT curriculum, qualifications and standards, core partners, governance and mobilisation plan (Governors were notified that the presentation would be uploaded to the BoardPacks portal).

Sarkis Mazmanian queried how the KPI's would be measured. The Principal/CEO replied that these were based on the number of starts (number of learners). 1641 starts were required by the 5th year.

In response to a query from Evelyn Carpenter, the Principal/CEO confirmed that KPI's would also be in place for progression and completers.

The Chair asked if there was any indication of the percentage of completers required. The Principal/CEO responded that this figure was currently being negotiated.

The Chair queried whether both the College and Coventry were reviewing the standards. The Principal/CEO advised that standards were developed moving from the framework.

In response to a query from Evelyn Carpenter, the Principal/CEO confirmed that the College would also negotiate targets re white males and adult learners etc.

The Clerk advised that the IoT would be a standing agenda item for the Corporation going forward.

Agreed: The Corporation agreed that decisions by email or special meetings may be called when appropriate to ensure sufficient oversight of the process.

18. Principal/CEO's Presentation

The Chair informed the Corporation that the Principal/CEO was now a member of the CITB Board.

Discussion took place on the current issues for Colleges and the scale of work being undertaken regarding curriculum development.

Stuart Fraser stated that support was needed for the Principal/CEO and the Executive Team. The College had lost the COO and an additional Executive Member was required in a permanent position. The Principal/CEO responded that the CIO and CTO roles would be advertised externally as soon as possible. At present, realignment of the curriculum was taking place with support from the Interim Consultants. The Director of Advanced Technologies was now in place.

The Chair advised if the Corporation could help then it would, without interfering. It was acknowledged that if anything of great significance came along there was little time available at present to pursue other projects.

Agreed: That the current position be noted.

19. Capital Development Update

The CFEO reported that the capital development update had been discussed in detail at the Policy & Resources Committee Meeting. The project was on track, within budget and the few risks were being managed.

The Vice-Chair referred to the issues with the floor membrane. The CFEO advised that the moisture levels in the existing ground floor screed were far in excess of what was advisable to lay new carpet / vinyl on. ISG have engaged with two specialists' each of whom were proposing a proprietary damp proof membrane product to lay on top of the screed which would provide the College with a guarantee. The College was currently awaiting this report and recommendation but it was envisaged that the cost would be in the region of £100 – 120k given the large area of floor affected. The Corporation were informed that this was being funded from the contingency.

The CFEO advised that it was likely that the membrane works would impact ISG's ability to finish the works on 23 August 2019, but the College's advisors were working with them to mitigate the impact of this unforeseen issue. The extent of the delay would not, however, not be expected to have an impact the College's IOT opening plans for October Half Term.

Agreed: That the current position be noted.

20. Management accounts to end May 2019

The Chair stated that the Corporation were better informed now the accounts were circulated monthly. It was confirmed that the June accounts were being worked on.

The DOFE reported that the College was still hoping to maintain a surplus, however, the budget was under pressure with a shortfall of £747K. Compensatory savings had been made within the maternity fund, non-pay and a vacancy freeze that left £345K to find. The Corporation was informed that the contingency was also in place to be utilised.

The Chair stated that, on behalf of the Corporation, the contingency should be banked with immediate effect.

Agreed: That the current position be noted.

21. AoB

There was no further business. The Principal/CEO advised that the College would be participating in Love our Colleges week during the 14 -18 October 2019.

Date and time of next meeting – Monday 28 October 2019, 6pm.

The Chair thanked all those in attendance for their contributions and the meeting closed at 8pm.

Agenda Item	Action	Responsibility	Timescale	Update
C/f	The implementation of a document management system be considered.	CFEO/Clerk	ASAP	Ongoing as part of GDPR
C/f	Online training to be completed by all Governors.	All	ASAP	Ongoing
April Strategic Planning Event	Draft Digital Strategy to be presented at the July Corporation Meeting.	Principal/CEO	July 2019 Deferred October 2019	The Digital Strategy is pending completion of the TLA strategy.
6.	Amended Code of Conduct to be uploaded to BoardPacks for Governor comment and approval.	Clerk	ASAP	Complete
6.	Governors to consider the positions of designated Governor for Safeguarding and Equality and Diversity and membership of the Search Committee and	All	ASAP	

	notify the Clerk if interested.			
9.	Mentoring programme for Student Governors to be put in place when appointed.	Clerk	September 2019	
13.	Analysis of the options, if an OfS decision was unfavourable, to be provided at the next Board Meeting.	Principal/CEO	October 2019	
14.	Update on position of D Block loan facility be reported to the October Corporation Meeting.	CFEO	October 2019	

Signed.....

Date.....

Mark Farrar (Chair)