



**Minutes of the Meeting of the Corporation, held on Tuesday 11 December 2018,
3.30pm in the Boardroom**

(The Corporation Meeting was preceded by the Strategic Planning Event)

- Present:** Mark Farrar (Chair)
Mark Bass (Vice Chair)
Yvonne Kelly (Principal)
Andrew Brown
Stuart Fraser
Elaine James
Sarkis Mazmanian
Doug Trengove (Staff Governor)
Forhad Altafi (Staff Governor)
- In attendance:** Wijay Pitumpe (Chief Finance & Enterprise Officer)
Janet Curtis-Broni (Executive Director – People & Organisational
Development)
Caryn Swart (Chief Operating Officer)
- Victoria Eastwood (Clerk to the Corporation)

1. Welcome and apologies for absence

Apologies for absence were received from Evelyn Carpenter 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. The Staff Governors, Principal and College members of staff declared an interest in Agenda Item 3 (Confidential Minute).

3. Minutes of the Previous Meeting – Monday 15 October 2018

The Minutes of the previous Meeting held on 15 October 2018 were agreed as a true and accurate record.

*The Staff Governors, Principal and all other members of College staff withdrew from the meeting.
The Clerk remained in the meeting.*

The Confidential Minute from the Meeting held on 15 October 2018 (pertaining to Agenda Item 8 at that meeting) was provided. The Minute was agreed as a true and accurate record.

The Staff Governors, Principal and members of College staff returned to the meeting.

4. Matters arising

An update on outstanding actions from the October 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
12.	Report on Curriculum Links be presented at the November Performance & Standards Committee	Clerk	26 November 2018	Verbal Update was provided.
13.	Suggested amendments to be made to the GDPR Policy and Retention Schedule.	DPO	ASAP	Complete.

The Clerk advised that further to previous communications regarding the re-appointment of Gareth Byrne as a Co-opted Member of the Performance & Standards Committee, Mr Byrne had not responded to the offer of re-appointment or any communications. The Search Committee had therefore agreed to withdraw the offer of re-appointment. The Corporation endorsed this decision.

The Chair asked if the College felt it was now GDPR compliant. The Clerk replied that the College was compliant but there was still work to do to ensure that GDPR was fully embedded across the College. The Clerk reported that spot checks had commenced in some areas to ensure offices and workspaces were GDPR compliant. The Executive Director – People & Organisational Development (EDPO) added that GDPR policies and procedures had been developed and staff had undertaken training on this. A full report would be provided at the February Corporation Meeting.

The Chair urged all Members to ensure they were up to date with the relevant training that had previously been issued. The Clerk asked that all completed skills audits be returned as soon as possible.

5. Chair's Actions

There were no Chair's actions to report.

6. Approval of Committee Terms of Reference and Schedules of Business

The Clerk explained that the Performance and Standards Committee, Policy and Resources Committee and Audit Committee had all approved their business cycles and terms of reference at their first meetings of the academic year. These had been brought to the Corporation for ratification and to ensure lines of accountability from the Committees to the Corporation.

The Clerk updated the Corporation on the changes made to the Performance & Standards and Policy & Resources Terms of Reference with regard to HR reports and the inclusion of the Staff Member.

In response to a query from the Chair, it was agreed that the meetings schedule for 2018/19 would be re-circulated and the 2019/20 meetings schedule to include the Remuneration meeting would

be also be issued.

Action: Meetings schedule for 2018/19 to be re-circulated and the 2019/20 meetings schedule to include the Remuneration meeting also to be issued.

Approved: That the Performance and Standards Committee, Policy and Resources Committee and audit Committee business cycles and terms of reference be approved for future use.

7. Annual Review of Compliance against the Code of Governance

The Clerk presented the table highlighting the Corporation's current position against the statements of the Code of Governance advising that the position remained unchanged. The Corporation were advised that changes were anticipated to the Code and the table would be updated and brought back for discussion as appropriate.

The Corporation agreed that it remained compliant with the requirements of the Foundation Code. Compliance against the Code would continue to be monitored on an annual basis alongside reviews of any changes/updates.

Approved: The Corporation approved their compliance with the Code and it was agreed that compliance against the Code would continue to be monitored on an annual basis alongside reviews of any changes/updates.

8. Annual Report of the Audit Committee 2017/18

The Clerk presented the Annual Report, advising that this had been approved by the Audit Committee. The purpose of the report was to inform the Corporation that, when considering the Financial Statements for 2017/18, 'reliance could be placed upon the College's risk management, control and governance systems, and that on the basis of reports received on the work undertaken, it considers that there are satisfactory arrangements for securing economy, efficiency and effective use of resources.'

The Vice-Chair stated that good reports had been received from both the Internal and External Auditors and it was confirmed at the recent Audit Committee that the College had acted on all recommendations made.

The Chair asked for further details on the Health and Safety advisory audit. The Chief Finance and Enterprise Officer (CFEO) responded that in the previous financial year the College had asked for consultants to undertake a review and provide an opinion on health and safety across the College. In addition, the Internal Auditors were asked to undertake an advisory audit in this area. An action plan to address recommendations from the advisory audit was in place. The College had appointed a new Health and Safety Manager and a Sustainability Manager and all curriculum areas had undertaken risk assessments. The Internal Auditors would follow up progress on the advisory recommendations in May/June 2019.

The CFEO reminded the Corporation that Stuart Fraser had been appointed as the Governor for Health & Safety and a meeting was being arranged with the new Health & Safety Manager in the new year.

Agreed: That the Corporation receive the Annual Report of the Audit Committee 2017/18 to rely upon when considering approval of the Financial Statements 2017/18.

9. Financial Statements 2017/18 including Management Report and Letters of Representation

The CFEO informed the Corporation that the Financial Statements and Management Letter had been discussed in detail by the Audit Committee and were recommended to the Corporation for approval.

The following key points were highlighted:

- The College's group surplus for the financial year 2017/2018 was £0.367m
- The surplus on the College operating activities was £0.437m. A £0.019m favourable variance against the original target surplus of £0.350m.
- The College's subsidiary companies BDC@Broadway Ltd, Apprenticeships Work Ltd, and Aspire Training & Enterprise Ltd and Hairazors Ltd made net deficits of £70k. Thus the total surplus for 2017/2018 was £0.367m.

The CFEO reported that meetings were taking place with the Subsidiaries. The number of apprentices within Hairazors Ltd had reduced and the College was keeping a tight control of the position and the need to assess whether the company was still viable.

Sarkis Mazmanian questioned whether the College could hire students to work in the salon through an apprenticeship. The CFEO replied that the College was the apprenticeship provider for other salons. The main salon was located in Ilford shopping centre which had been subject to an increase in rent and changes had been made to the structure of the shopping centre which had affected footfall and increased competition.

The CFEO referred to the External Auditors Management Report advising that an unqualified opinion had been provided. The Letter of Representation also advised that all relevant information had been received to inform the opinion.

Sarkis Mazmanian stated that more profit had been made during the previous year (2016/17) than the 2017/18 financial year and asked what the projected trajectory was. The CFEO replied that the last year had been a very tough year. Some income had increased but the College was controlling costs tightly this year.

The Chair questioned whether the College would still be able to build reserves given the demands of the capital development project. The CFEO advised that within the current property strategy it had been agreed that the College would only invest what it could afford. Cash balances had increased to c8m opposed to 6m the previous year.

The CFEO reported that the College was in the hands of actuaries with regard to the local government pension scheme but the College had successfully challenged the assumptions regarding the annual FRS1002 pension charges.

The CFEO referred the Corporation to the graphs contained within the Management Report which highlighted how the College favourably compared against other colleges audited by the College's auditors.

Andrew Brown added that a lengthy discussion on the financial statements had also taken place at the Policy and Resources Committee.

Approved: That the Financial Statements 2017/18 including Management Report and Letters of Representation be approved by the Corporation and for the Chair to sign as appropriate.

10. Capital Development - Update

The CFEO reported two Expressions of Interest had been submitted for the second round of the Skills for Londoners Capital Fund – one for a smart construction centre for 'D' Block and one match funded for IoT (CAT). The College had been advised that it had not been successful for the smart construction centre bid but had been invited to submit a second stage bid for the CAT/IoT funding – the deadline for submission was 21 January 2019.

The CFEO reported that lengthy discussion had taken place at the November Policy &

Resources Committee Meeting on the proposal to sell some of the College land

Stuart Fraser stated that there were question marks over the company's background and the Chair of the Policy & Resources Committee had raised concerns that this was a venture capital company. The Principal added that the Policy & Resources Chair had also expressed concerns that the Borough was developing a ten year strategy for SEND learners and the proposed company could impact on that. The Principal advised that any discussions with the company to date had been alongside local authority involvement.

The Principal stated that there could be some benefit to having an outstanding provider of residential care and learners of complex need as the College did not have the capacity to take on further loans to extend in this area.

The CFEO reported that when the College was previously pursued to sell land in 2015, at that time the land was valued as £7/8m. The College would however need to spend c2m for the provision of a new car park.

The Chair questioned how the College would want to spend £7m. The CFEO replied that the net receipt needed to be considered along with the new Property Strategy.

The Vice-Chair advised that the College could not accept a joint valuation and there would need to be more than one valuation to ensure a fair process. The whole position of the College in the community needed to be considered and how the community would feel about the College selling the land.

The Chair queried if the College was clear on why it wanted to sell the land. Stuart Fraser added that the College needed to finalise the property strategy which would encompass this and provide the answers currently required.

The Principal stated that the company interested in the land would look at provision for high needs students – both the Borough and foundation learning was growing. The property strategy would also be required to understand the footprint of the campus.

The Chair asked the Staff Governors for their opinions as members of staff. Doug Trengove responded that it would be a shame to see the greenbelt used. He added that staff would have concerns with parking. Forhad Altafi replied that there could be employment opportunities for the College's Health and Social care students.

The Vice-Chair stated that the Corporation would be unable to make a decision without being able to see the College's property strategy.

The Chair advised that the College needed to complete the property strategy before any decisions were made. He stated that the CFEO could keep the relationship going with the company. The CFEO stated that he would advise the company that the College was not ready to sell the land at this point in time. It was intended that the property strategy be fed into the April Strategic Planning Event.

In response to a suggestion from Sarkis Mazmanian, the Principal stated that the College needed to discuss with the Borough the amount of green belt land and suggest a possible trade off for land at Barking riverside.

Agreed: That the CFEO advise the company that the College was not ready to sell the land at this time.

Action: The property strategy to be presented at the April Strategic Planning Event. Property Strategy Meeting to be convened to include the Vice-Chair/Stuart

Fraser and Sarkis Mazmanian.

The CFEO explained the OJEU framework to the Corporation and advised that two companies had submitted tenders which were currently being considered. The College had managed to negotiate a reduced framework fee of £35k, rather than normal fee for this size of project which was £58k.

In response to a query from Sarkis Mazmanian, the CFEO confirmed that the project was on target for completion in November 2019.

The CFEO stated that the College would not want to touch the contingency fund before commencement of the project. Discussion took place on building and refurbishment costs and the CFEO explained that after the contract negotiations with the chosen contractor, the contract value was now £200K over from the allowance made by the QS. A discussion ensued as to how to address the variance. The CFEO suggested that some of the fit out costs could be funded through the College annual capital equipment budget for the financial year 2019/20.

The Chair asked if there were any cost differences with regard to the fire assessment. The CFEO advised that there were not. The MEP works were over budget causing the need for cost reductions elsewhere.

Stuart Fraser asked for confirmation that the energy performance of the building would not be compromised if large areas of the existing cladding remained. The CFEO confirmed that the energy performance would not be compromised.

The CFEO referred to the attached loan documentation and advised that this needed to be approved. He provided the Corporation with a recap of the loan conditions which had also been discussed in length at the Policy & Resources Meeting.

The Corporation agreed to approve the Chair/Principal/CFEO and Clerk to sign the loan documentation and the following was approved:

Approved:

There was produced to the meeting:

- (1) a document containing the key terms of a facility as well as terms and conditions (together the **Facility Agreement**) from Barclays Bank PLC (the **Bank**) to the Borrower setting out the terms and conditions upon which the Bank is prepared to make available to the Borrower a term loan facility (the **Facility**) in the maximum principal sum of £4,032,258.00; and
- (2) a first legal mortgage in respect of the property known as Barking & Dagenham College, Dagenham Road, Romford, Essex to be granted by the Borrower in favour of the Bank (the **Legal Mortgage**).

AND

- (1) a document containing the key terms of a facility as well as terms and conditions (together the **Facility Agreement**) from Barclays Bank PLC (the **Bank**) to the Borrower setting out the terms and conditions upon which the Bank is prepared to make available to the Borrower a revolving loan facility (the **Facility**) in the maximum principal sum of £3,000,000.00; and
- (2) a first legal mortgage in respect of the property known as Barking & Dagenham College, Dagenham Road, Romford, Essex to be granted by the Borrower in favour of the Bank (the **Legal Mortgage**).

The Board of Governors considered the Facility Agreement and Legal Mortgage.

With regard to the Legal Mortgage, the Board of Governors noted in particular that:

- (a) the Legal Mortgage secures the payment of all monies and liabilities at any time due, owing or incurred by the Borrower to the Bank from time to time; and
 - (b) the Legal Mortgage contains a statement that the security created pursuant to the Legal Mortgage does not fall within section 124(9) of the Charities Act 2011 as the secured property is held by, or on trust for, the Borrower, which is an exempt charity.
3. The Board of Governors considered in detail the form of the Legal Mortgage and the risk to the Borrower in entering into the Legal Mortgage, namely that if the Borrower were not able to repay the secured facilities when due, this could result in the enforcement of the Legal Mortgage against the Borrower. Whilst these consequences were serious, the Board of Governors considered that the Borrower would be able to meet its obligations when due.
 4. The Board of Governors considered whether it was in the best interests of the Borrower to provide the security constituted by the Legal Mortgage to the Bank and to execute and deliver the Legal Mortgage.

IT WAS RESOLVED

1. That the borrowing by the Borrower of up to the full amount of the Facility on the terms and conditions set out in the Facility Agreement is in the interests of and for the benefit of the Borrower and is most likely to promote the success of the Borrower for the benefit of the members as a whole and that such terms and conditions be and are approved and accepted.
2. That, bearing in mind the Board of Governors' duty to promote the success of the Borrower, the Borrower should enter into the Legal Mortgage, grant the security in favour of the Bank constituted by the Legal Mortgage and perform its obligations and exercise its rights in relation to the Legal Mortgage as to do so would benefit the Borrower.
3. That the Borrower has considered whether it needs to obtain professional independent advice (legal, financial or otherwise), prior to resolving to enter into the Facility Agreement and the Legal Mortgage and (whether on the basis of such advice or otherwise) it has made its own independent decision to enter into the Facility Agreement and the Legal Mortgage and understands the terms, conditions and risks involved.
4. That Wijayaweera Pitumpe and Yvonne Kelly are authorised to sign the Facility Agreement on behalf of the Borrower to indicate acceptance of the terms and conditions.
5. That Wijayaweera Pitumpe and Yvonne Kelly are authorised to sign the Legal Mortgage on behalf of the Borrower to indicate

acceptance of the terms and conditions and to witness the affixing of the Borrower's seal to the Legal Mortgage.

6. That the Bank is authorised to act in all matters concerning the Facility upon instruction from the Borrower 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.

11. HE Report including Self Evaluation Document (SED)

The Corporation were informed that the College produces an annual Higher Education Self-Evaluation Document (SED), the resulting action plan is monitored and reviewed and the action plan for 2018/19 is monitored through the HE Operational Group, HE Academic Board and Performance and Standards.

The Chief Operating Officer (COO) advised that based on the review of 2017-18, the report judgement remained that the college could have confidence that its academic standards were reliable and met the requirements of UK regulatory framework and that there was confidence that the student academic experience met the baseline regulatory requirements.

The COO stated that there had been many areas of improved performance including; student achievement across all qualification types; improvements in retention on HNC and HND programmes; a significant reduction in complaints and improved results in both the on-course survey and induction survey. Areas for improvement included retention on two year foundation degree programmes; achievement for "mixed "ethnicity students; recruitment and internal progression from level 3 programmes.

Actions to increase recruitment from both internal and external applicants were highlighted but it was noted that recruitment, progression from Level 3 and the gender gap required further review.

Andrew Brown stated that it would be beneficial to see how HE fit into the College's vision going forward and what was distinctive for the students about undertaking a HE programme.

Agreed: That the HE Self Evaluation Document be approved.

12. Apprenticeship Update

The Principal reported that as of 22nd November 2018, the College had achieved a projected apprenticeship income to the year-end of £1,933,336. (78%) This was based on the number of achieved starts, carry over funding, projected achievement funding and additional learning support income. Levy Performance was strong at 87% of profiled target, however, non-levy performance was less strong at 77% of profile target. BDC's levy pot was growing based on £5,517 per month. The current balance of the account was £43,360. BDC expected to spend £4,454 per month to support its existing apprentices. Planned activities were underway to enrol more apprentices to use up its existing funds and enter co-investment in December 2019.

Stuart Fraser asked if the College was in a better position than anticipated a year ago. The Principal responded that energies needed to be focussed on the levy market. The College had been quite successful with TFL and this would strengthen.

The Corporation were referred to the current pending bids. In response to a question from the Chair, the Principal advised that the College was losing 1 in 3/1 in 4 bids which was the sector

norm.

Agreed: That the current position be noted.

13. Draft Minutes – Search Committee 15.10.18 & Verbal Update

The Chair referred to the Minutes of the Search Committee Meeting and advised that any issues arising from the meeting had been covered earlier in the Agenda. The Clerk added that a meeting was taking place the following week with a potential candidate for the Co-opted vacancy on the Audit Committee.

Agreed: That the update be received.

14. Draft Minutes – Performance & Standards Committee – 26.11.18 & Verbal Update

The Chair of the Committee informed the Corporation that the Performance & Standards Committee had received a comprehensive report on Higher Level Skills and had discussed the SAR and QIP in length. The meeting had been very positive.

Agreed: That the position be noted.

15. Draft Minutes – Policy & Resources Committee – 29.11.18 & Verbal Update

The Vice-Chair of the Policy & Resources Committee advised that most of the issues discussed by the Committee had been included within the Agenda this evening.

The Clerk stated that the clarification regarding partnerships contract numbers would be provided by email.

Agreed: That the position be noted.

16. Audit Committee Minutes 03.12.18 & Verbal Update

The Chair of the Committee informed the Corporation that the training log referred to in the recommendations would be brought to the February Corporation Meeting.

In response to a question from the Chair, the Chair of the Committee confirmed that pension costs had been highlighted on the risk register. It was also noted that media training on how to deal with unexpected situations would be provided for Governors at the April Strategy Event.

Agreed: That the position be noted.

17. Risk Register

The CFEO advised that the Senior Leadership Team (SLT) had reviewed the full Risk Register and similar methodology had been used. Any new additional risks were highlighted in purple for reference.

Agreed: That the current position be noted.

18. AoB

Papers to Note: FE Commissioner's Termly Letter to Colleges November 2018 and the Annual Report of the FE Commissioner – November 2018.

19. Date and time of next meeting – Monday 11 February 2019

The Chair thanked all those in attendance for their contributions and the meeting closed at 5.40pm.

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
6	Meetings schedule for 2018/19 to be re-circulated and the 2019/20 meetings schedule to include the Remuneration meeting also to be issued.	Clerk	ASAP	Meetings schedule recirculated. Proposed schedule for 2019/20 included on February Agenda.
10.	Property Strategy to be presented at the April Corporation Meeting.	CFEO	April 2019	Included on Agenda for April 2019
	Property Strategy Meeting to be convened to include the Vice-Chair/Stuart Fraser and Sarkis Mazmanian.	CFEO	ASAP	Scheduled – 11 February 2019.

Agenda Item	Action	Responsibility	Timescale	Update
Strategic Planning Event	QIP to be presented at the February Corporation Meeting alongside the Ofsted criteria for Outstanding.	COO	February 2019	QIP included on February Corporation Agenda. Ofsted criteria will form part of the April Strategic Planning Event.
Strategic Planning Event	Review of Governance including Membership and Committee Structure to take place.	Clerk	April 2019	Will form part of Internal Audit Board Effectiveness review.

Strategic Planning Event	Vision, Mission and Values to be included as a reminder on all Corporation Agendas going forward.	Clerk	April 2019	The Vision, Mission and Values are still under consultation with staff and students and will be incorporated into the Agendas once finalised.
Strategic Planning Event	A diagram to be included on the next Board Agenda detailing how the Vision, Mission, Strategic Deliverables link into each other alongside the actions required to meet these.	Principal	April 2019	The Vision, Mission and Values are still under consultation with staff and students. The diagram will be available once the consultation process has completed.

Signed.....

Date.....

Mark Farrar (Chair)