



**Minutes of the Meeting of the Corporation, held on Thursday 16 July 2020, 12.00pm
via Microsoft Teams**

Present:	Mark Farrar (Chair) Mark Bass (Vice Chair)
	Yvonne Kelly (Principal/CEO) Forhad Altafi (Staff Governor) Carole Ditty Stuart Fraser Sarkis Mazmanian Bal Panesar
	Doug Trengove (Staff Governor)
In attendance:	Wijay Pitumpe (Chief Finance & Enterprise Officer)
	Victoria Eastwood (Chief Governance Officer) Andreas Galatoulas (Chief Technology & Innovation Officer) Veronica Anthony – David (Chief Transformation Officer) Joy Kettyle - (Chief Operating Officer)

1.	Welcome and apologies for absence Apologies for absence were received from Stephen Mizen, Andrew Brown, 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. None were anticipated.				
3.	Minutes of the Previous Meeting – Monday 15 June 2020 including Confidential Minute The Minutes of the Previous Meeting held on Monday 15 June 2020 were agreed as a true and accurate record. The Confidential Minute of the same meeting was also approved.				
4.	Matters arising An update on outstanding actions from the June 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
	6.	Short report to help understated the position re remote learning and put it this into context should be provided at the July meeting.	COO	7 July 2020	Included on the Agenda

7.	The next report to feature detail beyond the current financial year and additional detail on project expenditure.	CFEO	7 July 2020	Included
7.	Full report on Subcontracting to be presented at the July Corporation Meeting.	Principal/CEO	7 July 2020	Included on the Agenda

In response to a query from the Chair, the CFEO clarified that the Subsidiary legal name was Hairazors Limited trading as Headjogs.

The Chair encouraged all Governors to complete any outstanding online training and the recently distributed self-assessment forms advising that it was good practice to take stock with regards to self-assessment. The Chair suggested that the ongoing action regarding the document management system be removed from the matters arising actions and dealt with through the GDPR project going forward. This was agreed and updates would be provided as appropriate.

The Vice-Chair and Chair of the Remuneration Committee informed the Corporation that at the Remuneration Committee Meeting held in March 2020, the Committee had discussed the changing role of the Clerk due to increased governance matters, GDPR and re-organising of the College. To represent the increased role and to put it on a par with the Executive Team roles, the Chief Governance Officer title was agreed. This was ratified by the Board but it was acknowledged that this had not been communicated to College members of staff due to Remuneration matters being discussed as a confidential item.

The Chair advised that the relationship between the Chairman, CEO and Clerk/Governance Officer was crucial. There was a lot of work taking place in the sector with ETF in particular regarding the term 'Clerk' and the intention was to try to move with the times. The Vice-Chair added that from his experience attending external courses and events, at least 50% of colleges had moved away from the term 'Clerk.'

The Chair referred to the IoT and the current information available regarding Huawei. The Principal/CEO advised that she had a discussion with Huawei's Director of Europe Academies and their position regarding the education side of Huawei. At present, there was no change as far as they were concerned. The investment for the College was different than with the universities. The issue was whether the College needed to consider some withdrawal from Huawei as a core partner and whether bringing in an additional core partner would be beneficial. It was noted that some changes to the IoT would be required as Saint Gobain were in difficulties and the College was currently in discussion with ISG. Saint Gobain intended to remain as a partner but not a core partner. The College was approaching AWS to obtain their view on becoming a core partner as they were a sponsor for the cyber hub. Discussion was also taking place with the CTIO regarding digital contacts.

The Chair noted that the position was not out of sight, out of mind. The Principal/CEO added

that the ethical approach needed to be considered. The Chair added that ramifications would be worked through at a high level and the Board needed to be conscious of what was going to happen next. It was agreed that this was work in progress for discussion at a future meeting. The Principal/CEO confirmed that an IoT update would be provided at the August Corporation meeting.

Bal Panesar questioned what the alternative options were for core partners and enquired whether the College had received any interest from BT in earlier discussions. The Principal/CEO responded that discussions had taken place with BT regarding telecommunications training but not as part of the IoT.

5. Chair's Actions

The Chair reported that, due to timings, he had been asked to agree submission of the following bids on behalf of the Corporation:

- Bid into the Department for Education (DfE) re D-block capital bid – the Corporation were advised that the bid was subject to agreement of removal of the match funding requirement – if that was not agreed then the bid would be brought to the Corporation for further discussion.
- Smaller bid re the College collaborative fund to develop digital integration. The College would receive a c£26K share of £70K with indirect costs.

Approved: The Corporation endorsed Chair's actions.

6. BDC Strategic Stability Plan

The Principal/CEO reported that the College was now looking forward and the work that had previously taken place had assisted in informing the strategic stability plan. The objective was to achieve targets and perform to achieve a positive outcome. There would be no change to the College's Vision and Mission as these were positioning the College well with regard to the forthcoming White Paper and the current focus on technical education and training. The Principal/CEO advised that the strategic directions would be revisited regarding ambition and goals as these may need to be reset.

The Corporation were informed that there were issues regarding the ceasing of the furlough scheme in the Borough and there would be an increasing amount of unemployment in August. The issue for the GLA was the data being reported was not representative of the real issues.

The Principal/CEO advised that the College was looking at the hardest hit areas through research informing risk analysis and curriculum development which had enabled consideration of new product development. The College was purchasing a tool to enable sight of local labour market information.

The Principal/CEO reported that there had been a big impact with a significant number of learners who had not progressed and there would be a need to adapt the curriculum accordingly. Lower level learners had suffered more than those undertaking higher levels and GCSE resits were a risk with Autumn and January windows. The College was working hard to

ensure learners did not become NEET and was focusing on achievement gaps, life chances and the digital agenda. Governors were informed that the 2020/21 allocations was fixed but if the College did not hit its target then there would be a hole in the following year.

The Principal/CEO advised that the College was adapting to the new normal, focusing on the health and wellbeing of staff and a change in focus from teaching to learning. The Government had mandated the GLA to remove the Oyster card for 18-year olds and below which could result in the College having to use the bursary budget and college budget to compensate as there was a risk that this may lock learners into the locality.

Priorities to 2021/22 were T-levels, starting the IoT this year and Brexit. The Principal/CEO advised that the main priority was to restart the new academic year and restart well against so many unknowns and changes. There was a risk that there would be a reticence from learners to attend site and a summer marketing campaign was underway. The College needed to 'reinvent' by continuing ways to package new products and taking into consideration the autumn spending review and FE reform white paper. Moving forward the focus would be on hybrid and blended learning and how to market, communicate and engage. There would also be interesting new opportunities to develop shared services with IT, Finance and wider.

The Principal/CEO stated that it was key at the end of this year/informing next year to position the College to redefine and market its USP's and align with the new direction of travel. The Chief Transformation Officer (CTO) was working on operational efficiency and would continue to restructure and re-align the roles of the future.

The Chair thanked the Principal/CEO for her report and recognised that there was something of a hiatus and unknowns around the College at present. The Vision and Values of the College should not be changing if they were already right. The College must protect learners and the staff, get through this, survive and sustain as an organisation and get back to the future 'new normal.'

Stuart Fraser noted that the report had been very helpful and demonstrated the position by looking at the options in a strategic manner. He asked whether the growing/important areas within the sector would require the College to consider the current curriculum. The Principal/CEO responded that recruitment was being watched in these areas which would be mitigated by progression. The unknown was the new starts. New product development and design was already underway and fifteen new traineeships were being developed. The Principal/CEO advised that collaboration was key and the College needed to build products to ensure they were fit for purpose. Work was taking place with TfL on high level programmes

including virtual placements to get ready to transition when the market picked up.

Stuart Fraser stated that 19-24 year olds could be an opportunity for retraining. The Principal/CEO replied that this was about strengthening the relationship with Job Centre plus and Job Coaches would be positioned in Barking Learning Centre. The College was starting to build on DWP requirements.

Bal Panesar stated that the Principal/CEO's presentation had extensive concept and plans. One of the dominant features was whether it was going to take up to 12 months or 18 months from now before a vaccine was available and the College would need to manage the health of the teachers and the learners. Short courses and retraining of adults was an opportunity but there was an aging population and a shortage in health and social care and the demand would increase. In terms of customer care the primary issue was differentiation in level of customer care and customer service and call handling etc would increase. At present there were not many training facilities for this therefore there was scope for the College to enhance.

The Principal/CEO advised that the Chief Technology and Innovation Officer (CTIO) would pick this up in his presentation as he had taken a lead in the digital development of the college and with customer services.

Carole Ditty stated that this was a very well considered and comprehensive strategic sustainability plan and agreed that the strategy around looking at the plans with local delivery and partnerships needed to be right. There was the idea of education being borderless in the new normal and Carole asked whether there were opportunities for the College to extend provision. The Principal/CEO responded that the College was reinforcing its Mission and considering weaknesses but the challenge in learning and key development was to get the learning platforms and the approach right. Some of that development was already underway – key initiative in Health and Social Care and some areas in IoT would be pushed out to a wider market.

Bal Panesar questioned whether the College had apprenticeships with care homes. The Principal/CEO replied that unsociable hours had previously been an issue. The UFI project was about developing digital skills and tools to support domiciliary workers and one of the objectives was to develop a new training programme. There was a need to target care homes and find a solution that worked for them.

	<p>The Chair stated that there was a need to keep an eye on strategy but more would be discussed at following meetings. The Chair congratulated the Principal/CEO on the huge amount of work that had taken place and the ongoing activity.</p> <p>Agreed: That the current position be noted.</p>
7.	<p>Financial Sustainability Plan and Forecast 2019/20</p> <p>The Chief Finance and Enterprise Officer (CFEO) advised that the current forecast deficit was £7K lower than the last reported deficit of £1,961K. He highlighted the context the College was operating in, noting that the sector was in difficulties. The Corporation were informed that if the non-cash items were removed, the College had an underlying surplus, in addition to being in line with banking covenants and the financial health was therefore Good. The CFEO advised that FRS102 would not be known until September 2020 but this was not included in the forecast. College is forecasting a cash balance of £4.9 million at the year-end. The College has a £3m revolving credit facility agreed with Barclays which is available for another two years. Currently £1m had been drawn down in February, £1m in March, of which £1m has been repaid in June 2020.</p> <p>Governors were informed that 16-18 and adult funding had now been secured and there would not be any shortfalls. Apprenticeship funding was being monitored and although there had been less redundancies than expected, it was increasingly difficult to meet some of the delivery and therefore the College was likely to see a reduction in income with forecast income estimated at £1.9m. This was a conservative forecast.</p> <p>The Chair questioned how much of the £1.9m re apprentices was brought in from the prior year. The CFEO replied that the £1.9m balance was forecast as at 31 July 2020. In response to a query from the Chair, the CFEO confirmed that there may be a little more but nothing material. It was agreed that this would be referred to in the next agenda item. The CFEO reported that detail of other non-pay had now been included in the appendix.</p> <p>The CFEO reported that the IoT was being discussed regularly with the DfE and the capital project was going well. Money was being received in time and deliveries of equipment were happening as required. The Principal/CEO added that the licence would start again from September 2020 and the curriculum plan was being revisited. Targets against KPI'S would go into negotiation with the DfE. The Chair questioned the financial impact of the licence starting from September 2020. The Principal/CEO replied that there was a risk element but the CFEO had been prudent.</p> <p>It was confirmed that Hairazors had now been wound down and the Section 188 process was taking place. The Chair asked whether the impact would be the same as the forecast. The CFEO responded that the forecast included £29K redundancy costs. The forecast for Broadway had reduced and was better than forecasted due to the job retention grant. In response to a query from the Chair, the CFEO advised that the job retention grant did not have a hugely significant impact on the forecast.</p> <p>The Vice-Chair stated that the Broadway Board needed to convene as soon as possible after summer to look at the future of the Theatre. This was agreed. The CFEO stated that the College was applying for any funds available for Broadway and had used the contacts provided by Bal Panesar. One grant was not available for colleges but the others were being followed through.</p>

	<p>The CFEO reported that the GLA initially would not fund the full grant for F block but subsequently requested to provide a justification to why the college could not find the match fund. This is in progress. An application has been submitted for E block with request for 100% funding from DFE. The outcome would be announced in October.</p> <p>The Chair noted that the restructuring budget was being retained for the time being and questioned whether this would be utilised. The CFEO responded that some of the budget had already been spent but the College was waiting for the Section 188 process to finish, however, it was estimated that circa £100K saving could be made and this will improve the college's forecast outturn.</p> <p>The Chair thanked the CFEO for providing a good position of where the College stood financially.</p> <p>Agreed: That the current position be noted. Action: Broadway Subsidiary Board Meeting to be convened after the summer period.</p>
	<p>8. Budget and Cashflow Forecast 20/21</p> <p>The Chair stated that the College had until 31 July 2020 to submit the budget 2020/21 to the ESFA. It was noted that there were currently 124 colleges in intervention measures and between 30-40 colleges with serious solvency issues.</p> <p>The CFEO reported that the planned target surplus was £100K against the College income of £34m. If the College did not hit the planned target then costs would need to be removed to ensure sustainability going ahead. The budget provided no buffer going forward.</p> <p>The CFEO provided the focussed objectives for the next year advising that these would require close monitoring and clear review points. 16-18 income was based on the lagged learner number approach at c£15m; high needs funding element 1 and 2 from ESFA amounted to £1.4m and high level course premium added 100K. All together the College's ESFA 16-18 income was £17 million. It was noted that any shortfall in learner targets would impact on future years allocations.</p> <p>The Chair questioned whether the allocations were up or down on the current year. The Principal/CEO replied that the allocations were slightly up but this was a mix of how the funding had been calculated. T-level numbers had been submitted to the DfE which should result in an early sight of the projected allocation in 20/21 financial year. The CFEO added that the College was c£300k up this year for 16-18 funding.</p> <p>In response to a query from the Chair, the Principal/CEO advised that she had seen a decline in 16-18 year olds. Numbers were climbing in the borough but some of the learners were travelling out of the borough.</p> <p>The CFEO reported that the AEB allocation from the GLA would be similar to the previous years but the College had won a £215K innovation fund grant. In terms of risk levels 2020/21, AEB was low risk as there were flexibilities being consulted on by the GLA. The College was targeting Job Centres and Job Centre Plus with regard to short courses and unemployment. The Principal/CEO added that the College was also exploring project funding.</p> <p>The Chair questioned whether the GLA innovation fund was matched by increased costs. The CFEO replied that the corresponding expenditure is included in the budget.</p> <p>The Corporation were informed that the original target for Apprenticeships was £3.5m including £600K with the IoT. The £600K had now been removed and the total planned income target for apprenticeships for 20/21 was £2.9m. The College had circa 591 learners who would still be in learning next academic year. Where apprentices were made redundant, there was increased flexibility from the ESFA to support continued learning and dependant on whether the learners were still in programme would depend on whether the College received the funding. Most of the apprentices would be a long way into their apprenticeship by next year and the aim was to ensure they completed.</p> <p>The Chair questioned whether it was assumed that all 590 apprentices would continue and</p>

complete and therefore the forecasted income achieved. The CFEO replied that the £981K budget calculation included a retention factor. If it was assumed that all apprentices would be completed next year, the College would receive £1.3m, however, this had been reduced back to £981K.

The Chair stated that the gross forecast had been reduced as the fallout was being assumed, however, with no assumption this was therefore described as a high risk scenario. The CFEO replied that apprenticeships income calculations were much more complicated. The Principal/CEO added that levy and non-levy apprenticeships were further complicated and modelling was very complex. The College was working to be able to monitor this on a weekly basis.

The Chair stated that if the c£1m target for apprentices was removed then the budget would be £2.9 less £1m providing a £1m target which was the same as this year but there were high risks going forward. The CFEO replied that the reports showed modelling of medium and high risk.

The Chair queried the assurance and asked when cost cutting decisions would need to be made. He questioned the target budget being the most optimistic scenario given the challenging world at present and asked where a £1m cost reduction could be achieved quickly. The CFEO responded that a review point would need to be provided in October and cost reduction could be in terms of redundancies.

The Chair stated that redundancies would have an additional cost and it was likely that the staff targeted would not be solely in the apprenticeship area. He added that he agreed with the logic but the concern was where the decision points were along the way. The Chair asked if there was a plan to address choosing the £2.9m planned income scenario and mitigating the impact if the targets were not met.

Bal Panesar questioned the timing of being able to mitigate. He stated if the College agreed to accept the target budget this could only be an interim decision for the moment without making commitments and revisiting the budgets when the variables were clear.

The Chair advised that time was critical if the College was three months into the year when it realised that targets could not be met, due process would take a month to act on if there was a deficit and then half a year to remedy. The Principal/CEO replied that staff costs were appropriated differently. The College would need to freeze all posts to protect the current establishment and use flexibilities with agency staffing as required. If savings could not be made within the agency staffing then permanent staff would need to be considered. The College was also looking at wider efficiencies concerning delivery and the fact that delivery had changed since the lockdown. It would take a few more weeks to provide confidence of where the flexibilities were and to respond based on that position.

Sarkis Mazmanian stated that if a certain amount of redundancies were required in October to be able to balance the books then this decision was required in order to provide an extra buffer. He suggested planning for cuts in October resulting in a small portion of redundancies earlier to mitigate risk. The CTO responded that the furlough scheme was being reviewed and would end in October, therefore, the end of September beginning of October would be the right time to review staff – the College had already frozen recruitment. The Chair agreed that due process to do things together would be key.

The Chair stated that with regard to apprentices, it was very optimising to be chasing £1.9m looking at unemployment and youth unemployment. The College needed to work up plans for a £1m shortfall in that area as there would be limited room for manoeuvre in year and an offset in cost reductions would need to be provided if targets were not achieved.

The CFEO advised that the Executive Team would work on identifying costs to ensure they were prepared, to identify the required cost reductions. The Principal/CEO added that there was concern that there were some areas that would not recruit well and a decision would need to be made whether to hold or release them.

Stuart Fraser questioned whether this was is a budget or a target. Apprenticeship income had increased over the year but it was referred to as the highest risk. He asked whether the College was right to be submitting a budget that showed a £2m turnover and surplus and whether this was sending the correct message to the ESFA. The CFEO replied that the

College would be submitting the whole paper to the ESFA to ensure they understood the risk lines.

The Chair questioned the assumption for pension support post March and whether a pay award for staff had been factored into the budget. The CFEO replied that the total pension allocation has been received, however cash profile only confirmed until 31 March 2021, AOC has highlighted this to ESFA. A pay award had not been built into the budget.

Bal Panesar queried what non-pay issues the College could control. The Chair questioned how much pay and non-pay were moving year in year. The CFEO reported that course file had been matched to permanent establishment. The LGPS valuation last year had resulted in the college contribution going down but the teacher pension scheme remained the same. The Chair noted that there was a potential problem from March to August next year when the top up funding disappeared.

Bal Panesar stated that more visibility on the cost side would be helpful. The CFEO advised that more visibility about the detail would be included in future reports. Going into next year there would only be mission critical expenditure.

The Chair advised that he did not think the budget could be approved at this meeting and suggested another one item meeting take place prior to the submission date to address the issues discussed and provide more detail on expenditure, non-pay, pensions, plans for a contingency and how this could be achieved alongside key items and trends. If apprenticeship income was £1m down – what would the College do and how would that £1m be mitigated. The CFEO noted that 0.5m had been built into the capital budget and in terms of cash flow the College still had access to the loan facility next year.

Bal Panesar requested a break out of pay and non pay costs to be able to see parameters and drivers to assess risk to be able to discuss and approve the budget. Consideration needed to be given to the strategic view to provide to the ESFA. Stuart Fraser added that the College did not want to plan to fail.

Action: The Corporation to reconvene for a one agenda item meeting to discuss the budget based on further detailed requested prior to submission to the ESFA.

9. Learning and Learner Experience Report

The Chair proposed that the Transforming Learning and Learner Experience Report be deferred to the August Corporation meeting. The Chief Operating Officer (COO) advised that the purpose of the report was to provide a flavour of the learner experience and this would be brought back in more detail through the self-assessment process in September. The Chair thanked the COO for a useful report and resolved to return to this topic in September.

Agreed: That the transforming learning and learner experience report be discussed further through the SAR process in September.

10. Subcontracting Report

The Principal/CEO reported there had been no change from the previous year. The College was looking to reduce subcontracting again to ensure 80% of value back in house.

In response to a query from the Chair, the Principal/CEO confirmed that the subcontracting companies currently being used had not been adversely affected by covid-19..

The Corporation were asked for any comments on the Supply Chain Fees & Charging Policy 2020/21. No comments were received and the policy was approved.

Approved: The Corporation approved the Supply Chain Fees & Charging Policy 2020/21.

11. Simplification Strategy

It was agreed that this agenda item would be deferred to the August Corporation Meeting.

Action: Simplification Strategy to be discussed at the August Corporation Meeting.

12 Update from the Audit Committee held on 13 July 2020

The CTO updated the Corporation on the DBS recommendation advising that there were now three outstanding records, two members of staff were on long term sick and the third member of staff was being dealt with through the College's Disciplinary process. A new integrated system was being introduced by September 2020 to address these issues going

	<p>forward. The Chair of the Audit Committee advised that the recommendations were on track and the Committee were waiting to hear from the Internal Auditors with a timescale that matched college resources to be able to undertake the learner numbers audit. The Chair noted that the progress made was good and the monitoring in place was encouraging. Agreed: That the current position be noted.</p> <p>13 Freedom of Information Policy The CGO reported that the policy remained unchanged and, in line with good practice, the policy would be presented annually for approval. The Corporation would be notified if there were any changes in legislation that would affect the policy. It was noted that the Freedom of Information Policy was available on the College website. Approved: The Freedom of Information Policy was approved for future use.</p>
	<p>14 AoB - ESFA Financial Health Assessment The Chair referred to the letter from the ESFA and congratulated the CFEO on the financial health of the College.</p> <p>15 Self-assessment of meeting The CGO advised that this was a new agenda item introduced to improve the current self-assessment process. The Chair stated that the meeting had been constructive but the time available versus the time required needed to be considered as not all agenda items had been discussed. It was agreed that a time allocation for each agenda item would be useful and that if an agenda item was for information then it did not need to be presented. The Vice-Chair suggested that a Board meeting to focus solely on the budget be included in the next business cycle. This was agreed for consideration. Agreed: That the self-assessment feedback be recorded and considered in the governance self-assessment going forward.</p> <p>Date and time of next meeting An additional meeting of the Corporation would be convened in time to discuss the budget before submission to the ESFA by 31 July 2020.</p>
	<p>The Chair thanked all those in attendance for their contributions and the meeting closed at 14.15pm.</p>

Agenda Item	Action	Responsibility	Timescale	Update
7.	Broadway Subsidiary Board Meeting to be convened after the summer period.	CFEO/CGO	August 2020	
8.	The Corporation to reconvene for a one agenda item meeting to discuss the budget based on further detailed requested prior to	CFEO/CGO	July 2020	

	submission to the ESFA.			
11.	Simplification Strategy to be discussed at the August Corporation Meeting.	CGO	August 2020	

Signed.....

Date.....

Mark Farrar (Chair)