



**Minutes of the Meeting of the Corporation, held on Tuesday 30 April 2019, 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/CEO)  
Andrew Brown  
Evelyn Carpenter  
Lisa Dee  
Stuart Fraser  
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)
- Victoria Eastwood (Clerk to the Corporation)  
Bal Panesar (Observer)
- Absent:** Elaine James

- 1. Welcome and apologies for absence**  
The Chair welcomed Bal Panesar as an observer of the meeting.
- 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 11 February 2019 inc Confidential Minutes re Agenda Item 11**  
The Minutes of the previous Meeting held on Monday 11 February 2019 were agreed as a true and accurate record.  
  
The Confidential Minute of the Meeting held on 11 February 2019 (Agenda Item 11 – Principal's Update) was agreed as a true and accurate record.

#### 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
C/F	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 has been emailed to Governors and will be re-issued as several amendments were requested.
4.	All relevant Board Members to complete mandatory training as soon as possible	Governors	ASAP	Ongoing – currently 83% completed. All Governors with outstanding training have discussed this with the Clerk.
6.	Glossary to be uploaded to the Governance portal and updated as appropriate.	Clerk	ASAP	Complete
7.	RAG rating to be reconsidered and a key to the Balance Scorecard provided.	Principal/EDPO	ASAP	Complete
10.	The Remuneration Committee to ensure compliance with the Senior Staff Remuneration Code and	Clerk	July 2019	A report will be presented at the July Corporation Meeting.

	provide a report for the Corporation accordingly.			
12.	That an update on the apprenticeships and qualifications provided by the contractor be included in the next Capital Development Report.	CFEO	March P&R Committee	This will be included in the capital development report for the June P&R Committee Meeting.
14.	Staff Survey report to March P&R Committee.	Clerk/EDPO	March P&R Committee.	Deferred to June P&R Committee. IIP Report was presented in March.
15.	Summary of main concerns from the risk register be presented at the April Corporation Meeting.	Clerk/CFEO	April Corporation Meeting	Included on Agenda.

Agenda Item	Action	Responsibility	Timescale	Update
Strategic Planning Event	Review of Governance including Membership and Committee Structure to take place.	Clerk	April 2019 – review has been deferred to July 2019 in agreement with the Auditors.	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 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	Included at April Strategic Planning Event.

## 5. Chair's Actions

There were no Chair's actions to report.

## 6. GDPR Update

Governors were presented with the current GDPR project timeline, highlighting the work that had taken place and progress against issues that were ongoing. In addition, a list of additional GDPR work that had been undertaken since the last update to ensure GDPR compliance across the College was provided. The Clerk advised that the implementation of GDPR throughout the

College was an ongoing process and constant monitoring of compliance would be required.

The Chair thanked the Clerk for the report and noted that work on GDPR would need to be ongoing. Evelyn Carpenter added that this was a comprehensive report.

**Agreed: That the current position be noted.**

## **7. Notice to Improve Report**

The Corporation were informed that the Notice to Improve (N2I) process was an integral part of the College's Quality Assurance and Improvement framework. The report provided an update as to the current position of the areas placed under N2I for 2018-19. Three apprenticeship pathways were also being monitored directly by the Principal/CEO due to poor performance.

The Principal/CEO reported that sufficient intervention and support was not in line with the procedure and a 'deep dive' into the N2I areas was now required to ensure appropriate actions were implemented.

Stuart Fraser asked for an update on the position following the report provided at the March Meeting of the Performance & Standards Committee. The Principal/CEO advised that the outcome of review meetings had resulted in a number of staff at all levels being placed within the capability procedure.

Evelyn Carpenter asked for clarification on the current Interim Vice Principal. The Principal/CEO replied that the current Interim Vice Principal was an Educational Consultant who was a specialist in the area of Curriculum and Quality and had a good track record in this area.

Andrew Brown questioned whether sufficient support and the right support had been put in place in terms of making the improvements required as a different skills set was required to put courses right. The College needed to ensure the actions were secure and staff could not say they had not been supported. The Principal/CEO replied that the N2I meetings needed to take place to identify the issues, bespoke actions and support. It was acknowledged that the position was incredibly complex and that the problems for all N2I areas were different,

Stuart Fraser queried if there were any preventative measures in place for the future. The Principal/CEO advised that there would be intense scrutiny going into September to ensure the right learners were on the right course but this also needed to commence with curriculum planning.

Sarkis Mazmanian asked for clarification on when the wrong students were on the wrong course. The Principal/CEO stated that many of the issues stemmed from students being on the wrong level. It was agreed that an update on CEIAG would be provided at the next meeting.

The Chair questioned whether there were any common reasons for the current attendance issues. The Principal/CEO advised that the Borough attendance rate, although improving, remained an issue and changing behaviours included a great deal of work with both students and families. Despite the issues, attendance rates needed to improve.

The Chair added that the N2I meetings needed to be structured and precise and the College needed to try to get the best from staff skills sets.

**Action: Principal/CEO to provide an update on CEIAG at the July Corporation Progress on N2I's to be provided at the June Performance & Standards Meeting.**

## **8. HE/OfS Update**

The Principal/CEO provided an update on the current position informing the Governors that the College was still awaiting confirmation of a meeting date with the OfS as the first scheduled date provided had fallen within the Easter period. The Corporation were advised that the College's

Solicitors, BWB, were undertaking a review from the legal aspect.

The Chair noted the urgency to ensure the position was progressed and asked if there were any other bodies that could assist in speeding up the process. The Principal/CEO advised that the Association of Colleges (AoC) were in dialogue with the OfS and consideration to be given to contacting Local MP/Borough to write to OfS on the College's behalf.

**Action: Principal/CEO to consider asking the Local MP to write to the OfS on behalf of the College.**

*Post Meeting Note: The College received a response from the OfS after the meeting and a date for the meeting between the College and the OfS was set for Thursday 16 May from 10.30am to 11.30am.*

## 9. IoT Update

The Principal/CEO provided an update on the current position of the IoT project advising that the licence would determine the KPI's and although the intention was to attract as many students as possible, young white males, females and adults studying part-time (widening participation) were the intended target.

Stuart Fraser queried why white males were a target area. The Principal/CEO responded that there was currently an issue with underachievement for white males within the Borough.

In response to a query from Stuart Fraser, the Principal/CEO stated that governance would include all core partners but the weighting sat with the College who would chair the meetings. The key agreement was a commercial agreement between the College and Coventry University. The Chief Finance & Enterprise Officer (CFEO) added that a link Governor from the College would be required to sit on the Governing Body alongside the College Executive Team and a Governor from each partner.

Stuart Fraser questioned whether the Corporation should sign off the agreement with Coventry University. The CFEO replied that this would be presented at the June Policy & Resources Committee Meeting. The mobilisation plan and risk register would be included on the Audit Committee agenda when completed. The Corporation were reminded that the initial IoT proposal had been agreed by the Board in the first instance.

The Chair stated that a line of sight as required between the Corporation and any final agreement and therefore timings needed to be considered.

In response to a query from Stuart Fraser, the Principal/CEO stated that in addition to the material partners, Amazon would also be providing kit in order to establish a cyber-hub. The research element of the project would be led by Coventry University. The first floor of the IoT building would support research. The Principal/CEO added that funding arrangements for the IoT were based on growth of apprenticeships, HE and full cost provision.

The Principal/CEO reported that the course file was being confirmed and marketing would be key. The intention was to reset the existing licence to escalate to 1000 students by year five but to negotiate the numbers in year one. Existing students would also be redirected where possible.

The Chair asked whether there could be an increase in the number of Governors able to sit on the IoT Board. The Principal/CEO replied that the current arrangements only allowed for one per partner.

Stuart Fraser questioned how the IoT would be branded. The Principal/CEO responded that the College would use the agreed IoT brand and partners would be provided with this brand through their sub-licence.

The Corporation were informed that an IoT Pre-Award Stage Workshop would take place on the 9<sup>th</sup> May and the Mobilisation Partner Meeting would be held on Monday 13 May 2019.

The Chair stated that the IoT project must be kept live on the agenda. This was agreed.

**Action: That the IoT project be a standing agenda item for the Corporation meeting agendas.**

## 10. Brexit

The CFEO reported that the Brexit position remained uncertain but that an analysis of the student population had taken place and the College had written to all staff and students from the EU, signposting them to government advice to apply for settled status in the UK.

ESOL provision, ESF and Erasmus projects were identified as at risk areas. ESFA advice was

noted, specifically that the Government would guarantee existing projects.

The Chair thanked the CFEO for his report and noted that there were still many unknowns for FE.

**Agreed: That the current position be noted.**

#### **11. Capital Development Update**

The CFEO reported that the current spend as at the end of April 2019 stood at £1,484m.

The refurbishment programme was well underway and ISG are on track for completion on 23 August 2019. Fortnightly meetings take place between the College's Estates team and ISG and the ISG Manager met with the Head of Estates on a weekly basis. The Corporation were also informed that two apprentices would be directly enrolled through ISG and three recruited through the supply chain. These were in progress.

Stuart Fraser questioned if there had been any drawdown on the loan. The CFEO replied that there had not been any drawdown on the loan as funding was being claimed through the GLS (one claim had been paid and further two had been submitted).

Stuart Fraser queried whether there could be a cash flow issue if the College had only spent c£1.4m to date. The CFEO stated that a detailed cash flow would be provided to the June Policy & Resources Committee.

Sarkis Mazmanian asked if IoT funds could be used for the capital development project. The CFEO responded that this was not possible as bids were very specific and cash was ring-fenced.

**Action: Detailed cash flow to be provided at the June Policy & Resources Committee.**

#### **12. Management accounts to end March 2019**

The CFEO reported that the target surplus was £350K, which included everything except pension adjustments. The current forecast was to achieve the target surplus excluding pension adjustments. Due to income shortfalls, the College needed to find savings of £802K. This was detailed in the management accounts report. The College had identified savings of £454K leaving a balance to find of £348K. The CFEO advised that there was a balance of £345K in the general contingency that could be applied to fill the gap. Only business critical expenditure was allowed for the rest of the financial year.

The Chair stated that, speaking on behalf of the Corporation, the contingency budget of £354K must be banked with immediate effect. This was agreed.

The Chair questioned what the pension adjustment was likely to be. The CFEO advised that it was difficult to estimate as the College relied on the annual actuarial report which would be available at the end of the year. The previous year actuarial report had been £1.4m but after challenging the assumptions this was reduced to £800K.

Going forward, both pension schemes (TPS & LGPS) were being revalued. The Teachers' Pension Scheme (TPS) was currently a 16.48% contribution to be increased to 23.6% adding £541K costs for the College in the first year. The DfE had advised that they would fund the additional costs for 2019/20 but the following years would be dependent on the spending review. The pension adjustments would be reported as separate lines within the accounts, as presently these figures could not be estimated.

The CFEO informed the Corporation that the pensions adjustments were excluded from

College's financial health calculations. He advised Governors that it was important to keep to budgets and ensure a positive EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation).

Evelyn Carpenter referred to the two subsidiary companies showing a deficit. The CFEO responded that Headjogs had made a small deficit for the first time last year but had been previously been profitable. However, apprentice numbers had reduced dramatically and the next Subsidiary Board Meeting would decide whether Headjogs was to remain as a subsidiary. The CFEO added that the issue for Aspire was construction and although discussions were taking place with the Council, the viability of Aspire construction would also need to be considered at the next Subsidiary Board Meeting.

Evelyn Carpenter noted that the accounts looked more fragile than they had in the past and the position was worrying. The CFEO replied that the College's intention was always to make a surplus but the current FE landscape was hugely challenging. However, the position for 2019/20 would be worse and having a realistic balanced budget would be critical.

The Chair stated that the College needed to get ahead of dealing with these pressures as other pressures were looming. Currently the position was provided for five months ahead but a two/three year forecast was required even at a high level. A two year cash flow (including key numbers driving this) needed to be provided within the management accounts going forward. The College must generate income and not just manage costs.

The CFEO advised that a three-year forecast would be provided to the June Policy & Resources Committee including mitigations within the budget.

The Principal/CEO stated that BDC's core income for 16-18 and adult provision was in line with previous year. The adult/learner loans and HE were key risk areas, however the IoT was based on growth in these areas, hence the importance of all targets being met. The College was continuing to manage its risks.

The Chair referred to Appendix One, stating that the income listed by sources and the costs listed by curriculum area were difficult to read. It was agreed that a summary of business units would be provided at the June Policy & Resources Committee Meeting.

The Chair advised that full cost recovery on the commercial side was a target worth going for. The forecast must be implicit in the business plan.

**Actions: Bank contingency budget of £354K with immediate effect.**

**Two year cash flow (including key numbers driving this) to be provided within the management accounts.**

**Three-year forecast would be provided to the June Policy & Resources Committee including mitigations within the budget.**

**Summary of business units to be provided at the June Policy & Resources Committee Meeting.**

### **13. Performance & Standards Committee Report to the Corporation from the meeting held on 19 March 2019.**

The Chair of the Performance & Standards Committee reported that attendance for English and Maths was very low and the Committee would be updated on the position at the June Meeting. The Governor links strategy had been approved for future use and the Clerk would circulate this to the Corporation in due course.

The Corporation Chair referred to the Apprenticeship update, highlighting that this reinforced the risk for apprenticeships and a good intake of students was required for the Autumn term.



The Principal/CEO advised that the College had run out of non-levy money for SME's until the beginning of August 2019.

Forhad Altafi questioned whether the repeating of English and Maths was included within the survey for student experience. The Principal/CEO replied that feedback from students was collected in this area. Greater focus was being placed on ensuring both students and parents were aware of the importance of English and Maths prior to and at enrolment as well as during induction..

**Agreed: That the current position be noted.**

**14. Policy & Resources Committee Report to the Corporation from the meeting held on 25 March 2019 including Tuition Fees Policy**

The Chair of the Policy & Resources Committee referred to the management accounts and subsidiary concerns that had been noted by the Committee. The Corporation were directed to the Tuition Fees Policy which had been approved by the Committee and was duly approved by the Corporation.

**Approved: That the Corporation approve the Tuition Fees Policy and the position be noted.**

**15. Audit Committee Report to the Corporation from the meeting held on 25 March 2019.**

The Chair of the Audit Committee advised that amber actions were issues that needed to be put right and these would be monitored. The reporting structure for internal audit recommendations had been amended to ensure the Committee were kept informed of proposed changes to implementation dates. The Auditors had provided a general level assurance.

**Agreed: That the current position be noted.**

**16. AoB**

There was no further business.

**Date and time of next meeting – Monday 1 July 2019**

The Chair thanked all those in attendance for their contributions and the meeting closed at 5.25pm.

<b>Agenda Item</b>	<b>Action</b>	<b>Responsibility</b>	<b>Timescale</b>	<b>Update</b>
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	Principal/CEO	July Corporation Meeting	

	Progress on N2I's to be provided at the June Performance & Standards Meeting.	Principal/CEO	June Performance & Standards Meeting.	
8.	Principal/CEO to consider asking the Local MP to write to the OfS on behalf of the College.	Principal/CEO	ASAP	
9.	The IoT project to be a standing agenda item for Corporation meetings.	Clerk	ASAP	
11.	Detailed cash flow to be provided at the June P&R Committee.	CFEO	June 2019	
12.	Bank contingency budget of £354K with immediate effect.	CFEO	Immediate	
12.	Two year cash flow (including key numbers driving this) to be provided within the management accounts.	CFEO	Immediate	
12.	Three year forecast would be provided to the June Policy & Resources Committee including mitigations within the budget.	CFEO	June 2019	
12.	Summary of business units to be provided at the June Policy & Resources Committee Meeting.	CFEO	June 2019	

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<b>Agenda Item</b>	<b>Action</b>	<b>Responsibility</b>	<b>Timescale</b>	<b>Update</b>
December Strategic Planning Event	Review of Governance including Membership and Committee Structure to take place.	Clerk	April 2019 – review has been deferred to May 2019 in agreement with the Auditors.	Will form part of Internal Audit Board Effectiveness review.
December 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 will be incorporated into the Agendas once finalised.
April Strategic Planning Event	Draft Digital Strategy to be presented at the July Corporation Meeting.	Principal/CEO	July 2019	
April Strategic Planning Event	Report obtaining clarity from the Borough regarding their position with SEND brought to the next available Board Meeting.	Principal/CEO	July 2019	
April Strategic Planning Event	Property strategy to be renamed Infrastructure Strategy going forward	CFEO	Immediate	
April Strategic Planning Event	The three statements to be used for risk appetite but a caveat clarifying that any opportunity would require due diligence to be included.	CFEO	ASAP	
April Strategic Planning Event	Key KPI's (Implementation Plan) to be presented at July Corporation Meeting.	Principal/CEO	July 2019	
April Strategic Planning Event	Strategic direction diagrams to be amended to ensure students on are at the top of each list/flow	Principal/CEO	ASAP	

	chart.			
April Strategic Planning Event	'Unlocking the ambitions of our community' to be amended to recognise East London agenda under local London agenda and 'communities' to replace 'community.'	Principal/CEO	ASAP	
April Strategic Planning Event	Clerk to circulate paper on creating Subsidiary company re agency staffing for Corporation to consider for approval.	Clerk	ASAP	

Signed.....

Date.....

Mark Farrar (Chair)