

**Minutes of the meeting of the Corporation
Awayday held on Friday 27 January 2017 from 9.15 am–
5.30 pm**

at Somer Valley Campus, Wellow Board Room

Carole Stott
Andy Furse
Laurel Penrose
Victor da Cunha
Erica Draisey
Louise Fradd
Kez Hawkins
Adam Reed
Jane Shaw
Gary Waylen
Neil Wilson
Julian Young

Chair
Apologies
Principal

(apart from Item 3)
Apologies

In attendance

Heather Cross
Jayne Davis

Rob Sibley

Julian Tucker

Karen Fraser
Barbara Owen
David Grant

Clerk to the Corporation
Interim Vice Principal Quality
and Students (VPQS)
Vice Principal
Curriculum(VPC)
Executive Director of
Finance (EDoF)

1. Apologies

The Chair welcomed everyone to the Away day and especially welcomed Victor da Cunha back to join the Corporation

2. Declarations of Interest

Louise Fradd declared an interest in an aspect of the Estates Update item on the agenda. She would withdraw from the meeting as a governor for that item and would then return to make a presentation in her capacity as an officer of BANES and would then withdraw whilst discussion took place. The Chair commented that subject to the

ACTION

decisions made by the Board on the item on the agenda, Louise's position on the Board may need to be decided upon.

3. Confidentiality of Items

The Estates item was identified as confidential. There was a short staffing matter which needed to be considered by the Board which would also be dealt with on a confidential basis.

4. Minutes of the last meeting held on 12 December 2016.

The open minutes of the last meeting which had been circulated previously were agreed as a true record of the meeting. The confidential minutes of the last meeting were laid on the table. After review the confidential minutes were agreed as a true record of the meeting.

5. CONFIDENTIAL - Estates Update

Louise Fradd withdrew from the meeting for this item.

A report had been circulated previously.

Construction Centre

The Executive Director of Finance spoke to the circulated report. The construction centre was proceeding to plan, although work was being conducted under a letter of intent to a value of £250K as the contract had not yet been signed. It was confirmed that the College required clarity that the funds were fully available before the contract could be progressed and a bank decision was awaited on the extension of the college's overdraft to cover its project contribution. The College would be required to identify £911K of funds towards the project.

The position with the bank was set out at report 2d and positive negotiations with the bank had been progressing. The college's request for an increased overdraft facility had successfully passed a due diligence process and had been submitted to a credit committee where the request had also been approved, but with a stepped reduction of overdraft down to the current agreed level again by September 2017. After the recent first stage approvals the bank had revealed that the proposal would require further approval by its FE Committee, but this was being recommended. The final decision could take another one to two weeks to be advised.

It was agreed that as soon as possible after the bank's decision was notified, the Finance and Estates Working Group should meet and consider the outcome and for the following information to be reviewed

- A report on stress testing of the college's cash flow position across the contract period for the Construction skills centre
- A report on the legal due diligence concerning the suitability of the building contract, the payment profile and the main contract terms
- Stress testing on the financial aspects of the medium term business plan (see notes of later discussion)

Subject to the outcome of points 1 and 2 above, that the Chair or Vice-Chair of the Corporation and the Chair of the Finance and Estates Working Group be given delegated authority to approve the building contract.

It was noted that 911K is required from the college as its contribution towards the Construction Skills Centre.

Proposals concerning the sale of the Ralph Allen building

Louise Fradd withdrew from the meeting, given the conflict of interest which arose concerning her position as a senior officer of the Council.

It was reported that following the collapse of the sale of the Ralph Allen building to Bath Spa University, the College had an opportunity to reconsider whether a partial disposal was the best option, or whether the whole building should be sold. In addition, the Local Authority had expressed and shown a considerable interest in the building and this opportunity, which might provide significant synergy for the College should be investigated. If the whole building were to be considered for disposal, then the catering facilities would need to be relocated and there was no definite solution for this at present as there was no other space available.

Governors first gave their attention to what might comprise a straight sale. It was established that the college would need to spend £1m to have the building ready for a complete sale. In the circulated report the Valuer had been quoted to say that there were a number of parties who were disappointed that the property had been withdrawn originally and he remained confident that a sale price in the region of £5.25 - £5.5 million could be achieved for a long leasehold with a sub-lease back for the ground floor. It was noted that although the figure accepted from Bath Spa was higher than this, ultimately their requirements were such that the sale fell through and was not achieved.

Alongside getting ready for possible sale on the open market, the college had been having positive discussions with the local authority. Their equivalent offer for the building with a leaseback of the ground floor was understood to be £3.3m, which was significantly less than indicated as potential from other possible vendors as yet unidentified, but offered other significant additional benefits for the college in the long term and was a firm and reliable offer. The local authority had also offered £5.7 million for the whole building which would provide an immediacy of conclusion, with a deposit made available to the College from April onwards. Governors discussed the fact that the market so far for the building was virtually untested and if change of use to housing could be secured, a higher figure than that quoted by the Valuer for office accommodation may be realised. Governors asked for recommendations from senior management. The Principal requested that governors hear the presentation from the local authority at this point.

Louise Fradd was invited to join the meeting to make a presentation to the meeting in her capacity as a senior officer of Bath and North East

Somerset Council. Her presentation had been circulated with the meetings papers. She highlighted the stringent financial position of the Council but also their continued willingness to invest in a major development to bring the river back into the city. The Bath Quays area was the only real development opportunity available in the city and therefore it was guaranteed to go ahead, with the plans embedded in policy and not susceptible to change should there be a change of administration. The College was at the heart of this development which would include businesses, some retail and housing. This in her view represented an exciting opportunity to embed the college into the heart of the city and its economic development area.

Louise went on to say that the Council's ambition was to create a pioneer block as a grow-on space for small businesses as part of the development, which was the reason for its interest in the Ralph Allen building. The budget was already secured for this. This use of the building had a strong synergy with the college and would provide a unique selling point to have these links. The Council's financial offer was £5,770,000 for the freehold of the Ralph Allen building, a deposit would be paid by the end of April 2017, the Council would assist substantially with the change of use planning application and the college would be given a lease to remain in occupation of the ground floor for 24 months whilst alternative accommodation was secured for the catering facilities. There would be the opportunity to seek further LEP funding to fulfil wider strategic ambitions. Governors asked about the progress of other parts of the development and Louise explained that some planning applications were about to be made, and there could be an opportunity for the college to secure replacement space for the catering facilities.

The Board thanked Louise for presenting the Council's proposal and asked her to withdraw whilst they gave it consideration.

Considerable discussion ensued.

The following matters were agreed: -

In conclusion it was **agreed** that the Board is attracted to the proposal from the Local Authority for the purchase of the Ralph Allen building as this offers wider benefits and long-term strategic positioning and sustainability for the college. These benefits need to be secured to ensure that the college's decision can be demonstrated as being taken in the best interests of the organisation in the longer term given that it may be possible to secure a higher price from a commercial organisation on the open market. The board also **agreed** that it must secure some cash guarantee before it could proceed on an exclusive basis with the local authority. This cash contribution would also provide assurance for the college contribution to the Construction Skills Centre.

In view of the importance in being assured of the college's secure financial position within the next few months, it was **agreed** that the college should seek a written statement from the Local Authority, declaring their intention to progress towards a purchase and work with the college to achieve planning permission for change of use from educational. In addition, the college would want to agree a

Memorandum of Understanding with BANES that made clear the role of the college and its educational purpose within the economic development of the area and the plans and policy of the Council. This could make more explicit the wider benefits referred to in the Council's presentation to governors, such as opportunities to promote apprenticeships and collaborative working with the Pioneer Centre; partnership working on further development of Bath College within Bath Quays, including potential relocation of The Shrubbery Restaurant and a bid for a Digital Centre.

It was **agreed** that the market should be tested on the sale of the Ralph Allen building in parallel with the pursuit of the discussions with the local authority. Once the Local authority have guaranteed both the purchase of the Ralph Allen building on terms acceptable to the college, with the college's requirements stipulated in a Memorandum of Understanding and have provided a deposit of at least £911K, the college would withdraw the Ralph Allen building from any further market testing and will stop any progress towards placing it on the market.

The Board requested from the College a clear financial plan for the relocation of the catering facilities from Ralph Allen building and improving the two college frontages which will face the Bath Quays development.

It was **agreed** that until the deal with the local authority was confirmed, Louise Fradd should continue in her position on the Board, but with this being kept under review with active consideration of any conflicts of interest in the meantime.

7. Banking Matters

A report had been circulated. A report had been given earlier in the meeting concerning the progress of the requests made to Barclays following the December Board meeting.

The report further sought approval to submit a new banking mandate as the current banking mandate was now outdated following a number of changes to the Senior Management Team. Board approval to submit the new mandate was required. A copy of the new mandate was made available to the meeting.

It was agreed that the Chair and Clerk be approved to sign a new bank mandate in which they state "We certify that a resolution was passed at a meeting of the Members of the Corporation approving the contents of the Global Banking Authority and that all the signature provided in the Global Banking Authority are genuine."

8. HE Report – Proposal to Cease delivery of Bath Spa University Foundation Degree Programmes

A report had been circulated previously.

Foundation degrees in fashion textiles and design and music production had been offered via a franchising arrangement with Bath Spa University for a number of years, but fewer applications were being generated currently and course numbers were small. It was proposed that the delivery of both of these foundation degrees should cease.

Governors questioned whether this was a decision which required their approval but it was recognised that as the cessation of these courses could be considered to have an impact on educational character it was felt appropriate to place the decision before them.

It was agreed to give approval to ceasing the delivery of Bath Spa University Foundation Degree programmes (Fashion Textiles and Design Skills and Music Production)

9. CONFIDENTIAL Senior Staffing matter

The staff and student governors, together with the Vice Principals and Executive Director of Finance, withdrew from the meeting.

The Principal reported that following consultation on the proposed introduction of the Deputy Principal role and the removal of the Vice Principal roles, Rob Sibley had decided to apply for voluntary redundancy. This was on the same standard terms which had been made available to other staff and the Senior Staff Employment Committee had approved the application. Governors recorded the contribution that Rob Sibley had made to the college and sent him their best wishes for the future.

It was noted that the Deputy Principal post was shortly to be advertised. It was agreed that the selection panel would comprise the members of the SSEC, with Carole Stott, Andy Furse, Louise Fradd and Laurel Penrose comprising the selection panel. Shortlisting was agreed for 7 Feb and interviews were to be held on 27 February.

It was announced that a call had been received from Ofsted to notify of a two-day support and challenge inspection, starting on Tuesday 1 February 2017. It was understood that no grades would be issued. The College would receive feedback and could expect a number of outcomes with the possibilities that the inspection be extended immediately, lengthened and carried out in the next few weeks or a full inspection could take place in the next few months.

8. National Policy and Context

The Chair of the Board gave a brief report on major recent policy developments.

She spoke about the Institute for Apprenticeships and Technical Education and the recent announcement of the board, with the inclusion of two college Principals, which was to be welcomed.

The Industrial Strategy Green Paper which had been published at the start of the week had clearly identified a position for FE in delivering the Skills Plan. The emphasis would be on levels 3, 4 and 5. College based and apprenticeships routes were identified. A transition year between school and the next step was proposed but the funding for this was unclear. It was suggested that obtaining a regional map showing apprenticeships delivery in order to see how this related to the college position would be useful. The document reintroduced the term 'lifelong learning'. The Green Paper also introduced again the notion of Institutes of Technology. It was noted that the LEP was beginning to discuss again the introduction of one to be provided virtually on a collaborative basis between the four colleges. It would be important to ensure that such a development was not overly focussed on the Bristol area.

It was understood that the college's English and Maths results compared well with the national figures. Comparable reporting of iGCSEs and GCSEs had not yet been resolved, which tended to minimise FE Colleges performance inaccurately. The Industrial Strategy spoke about English and Maths rather than GCSEs, which was an improvement. AoC's analysis indicates that English and Maths has had negative impact on college inspection grades.

The legislation to introduce an insolvency regime for the sector was continuing to progress. It was estimated that college numbers would have reduced from 320 to 250 largely through merger by 2020 which would represent a 22% reduction. The Chair shared with the meeting an analysis of funding over the past few years, showing the significant decline in adult education and a lesser but significant reduction of 16 to 18 funding. There was a slight increase in apprenticeships funding. The AoC's analysis was that the UK compared unfavourably with many other competitor countries in funding for post 16s and if the nation was to compete, this would need to be addressed.

The new Ofsted Chief Inspector seemed more focussed on the evidence base for judgements and keen to understand the issues behind headlines.

It was noted that agreement for a school to open a new sixth form was now required to be on evidence of need and not evidence of demand, which was a significant improvement.

Governors thanked Carole for her very informative and useful presentation.

9. Business Plan - 2020 Vision

The Business Plan 2016/17 to 2019/20 had been circulated in advance. The remainder of the awayday was largely devoted to the presentation of the individual parts of this plan.

The Principal introduced the key strategic intentions and spoke about some of the important actions including addressing the operating deficit and a decline in the student base.

In response to a question as to whether there should be more identification of being destination –focussed, it was said that the intention was to improve skills acquisition. It was felt that there should be more articulation of pathways. The visions might be expressed even more clearly.

It was suggested that the plan might benefit from some additional attention to the changes in the local landscape which would arise from the election of the Mayor and the devolution of adult funding.

Curriculum

Rob Sibley introduced this section of the Plan. He commented on the need to take a policy decision on what the college would deliver for pre-16s; a conservative estimate had been made for SEND delivery; the pressure which the funding regime placed on the college if it wished to grow when lagged funding meant growth would then occur on a reduced quantum. College numbers were planned to return to original targets by 2020. Concern was expressed about the lack of FE representation on the LEP's curriculum development group. It was agreed that representations should be made about this.

A more comprehensive curriculum planning process was being initiated in departments with the introduction of specific targets. Governors strongly supported the intention within this that apprenticeships should be seen as simply another set of study programmes.

An issue which was noted concerned how the college made the transition to being a technical college from being vocational. Employer boards were seen as crucial, with clear benefits being seen by employers. Governors suggested exploring joint boards with Bath and North East Somerset Council.

The importance of tying into the HR Strategy to secure people at the right level was recognised. Staff should be seen as joint professionals, both teacher and their specific profession. In working in FE, currency of knowledge of the workplace was sometimes an issue but the joint professional route should assist in addressing that.

Some discussion took place about competitor analysis. The intention to become involved in prison education which had been identified stemmed from the Principals' previous experience in this type of

delivery. A gap between 19 and 24 in SEND delivery was intended to be exploited.

Online delivery was discussed; there were some online learning tools already available. This was the biggest growth area in the city and should be a key area of development for the college.

Governors thanked Rob for his presentation.

Marketing

Karen Fraser was invited to present concerning marketing. The key focus was to take action to improve conversion from enquiry to enrolment and she spoke about a number of strategies to achieve this, with many activities focussed on the website. Travel was sometimes a deterrent identified by potential students quite often. Governors asked college management to think carefully about the proposition being given to learners and to market those factors strongly.

A pathway pamphlet was circulated for information. The use of students as ambassadors should be maximised wherever possible.

The integration of marketing into the overall offer was agreed to be important.

Karen was thanked for her presentation.

Quality

A presentation on quality and also the use of IT was given by Jayne Davis. There were clear ambitions for 2020 articulated and for those years leading towards it. The intention of the current year was to consolidate new quality standards, for 2017/18 to grow and refine quality standards; for 2018/19 to become a quality beacon college and for 19/20 to realise consistently excellent targets, including learners' achievement rates at 92%; English and Maths to be at 60% grades 4 to 9 and there would be a dynamic learning environment where mobile technology is standard.

A one college approach was being taken to Quality. The changes being made to the quality team were reported.

A "Where Are We Now" slide was agreed should be part of the performance pack reported to the Board in future. Greater use of the Pro suite of software to enhance tracking, monitoring and reporting of learner progress was to be used across the college in future and this would assist in breaking down silo reporting.

A key plank for students and to enhance quality was to implement a proper system whereby students could bring their own device and use it at college to enable flexible working.

Jayne was thanked for her presentation.

IT

The objective here was full integration of systems so that all systems talked to one another.

Greater digital literacy was needed, plus systems needed to be more resilient. Much of the IT kit was over three years old and its replacement needed to be planned judiciously, with like for like not anticipated. There was scope for better use of additional learning support to increase and improve IT usage, which was vital to support the dynamic learning environment with strong use of technology.

Governors asked questions about the extent to which each Head of Department knew what was expected of them and actively supported the policy. Questions were asked about the security of systems and the protection against security breaches. Best practice from other colleges was going to be used in making IT improvements, including a case study from Ravensbourne College. A governor mentioned that Truro and Penwith College used to be a beacon in this area and could be worth checking out.

Governors expressed their thanks for this presentation.

Estates

Julian Tucker gave a presentation and referred to the Estates Strategy approved in 2015 . He talked about the ways in which the estate attracted students, although old stock buildings would still continue and they had to be made to work.. The Quays development offered a real opportunity. The Construction Skills Centre would enhance the apprenticeships offer and some activities from Bath would be relocated. Once the college came out of its leased accommodation there would be savings of £362,000 a year.

In discussion governors posed the question as to whether the plans were developed on too reactive and piecemeal a basis. It would be helpful to identify the ambitions for each building in say 3, 10 and 20 years time. The city centre provided a very exciting opportunity for thoughtful and long term plans. Governors noted that both City Centre and Somer Valley were becoming enterprise zones – it was unique to have such a zone in a rural area.

It was agreed that an estates masterplan should be commissioned and a specialist project manager should be employed to lead this task. It was suggested that the Council may be able to assist with some funds to assist with the tie-in to the Quays development in the city centre. The possibility of the same development organisation might be explored so that the look and feel of any developments would be the same or complementary.

The Board thanked Julian for his presentation.

Business Development

Karen Fraser gave a presentation about various business development opportunities.

Governors asked about partnership opportunities. It was noted that the college was considering a possible apprenticeship joint venture with Wiltshire College.

Human Resources

Barbara Owen presented concerning the ways in which the HR strategy would give proactive support to curriculum changes. Much was about creating the right approach and building discretionary effort. Development of innovation and responsibility were important. Efficiencies were necessary with the college on the trend for terms and conditions; staff were now tending to seek more flexibility. It was important to get people to do things in more productive ways. In the area of talent management staff views of what represented development needed to be expanded. HR staff were to attend curriculum planning meetings in order to identify and contribute to requirements at an early stage. All staff needed to feel they had bought into the organisation.

Governors commented that it was important to bring staff along with changes including providing the skills necessary such as IT and digital skills. A combination of tactical and strategic approaches were beneficial. Some further discussion would take place over time on the college as an employer of apprentices.

Finance

Julian Tucker set out the financial picture for the college and the ambitions for 2020 to generate a 5% surplus – in excess of £1m; for pay costs to be 60%; the current ratio to be more than 1.5 and to have outstanding financial health. Certain levels of efficiency had been built in. The plan naturally assumed that the college met its banking covenants. The introduction of a procurement specialist to assist in identifying savings was favoured.

Governors discussed the value of holding cash reserves contingencies and agreed that it would be valuable for the Finance and Estates Working Group to consider what was required here, including the sensitivities around them.

It was acknowledged that once the capital receipt was secured, apart from immediate requirements, the balance should be ring-fenced and subject to a bidding process for use; it was not to be used to cover the annual trading position. Consideration should be given to how these were protected and what trigger points and processes should be agreed which might support their use.

Risks/ Mitigation/ Opportunities and actions

The Principal summarised the position. The Plan was based on a whole vision for one college. There were some real opportunities which needed to be maximised. Significant work was needed on the curriculum to develop and improve. The emphasis must be on -technical routes.

It was suggested that two risk registers could be maintained – one for the present situation and one for the five year period **and** to reflect the extent to which opportunities were being exploited. Options would come from opportunities.

Reflections and Governance

The Chair thanked the Principal and the management team for the large amount of work undertaken in drawing up the medium term business plan. She commented that the opportunities were very exciting and the college had a positive future. Governors role would be to drive the ambition and also to monitor performance.

In terms of governance it would be important to consider whether the college had the right governing body to support the proposed developments and she asked governors to reflect on whether there was anything to be done to improve or should be done differently. It was intended to find some further time in the future to reflect on this.

It was agreed that Victor da Cunha be asked to join the Finance and Estates Working Group.

A comment was made that governance was strong in terms of finance, estates and quality but support for commercial, business and high level marketing opportunities were potential gaps.

The Principal thanked Governors for their helpful comments throughout the day.