

Minutes of the meeting of the Corporation Held on Monday 12 June 2017 at 5.00 pm

at Somer Valley Campus, Wellow Board Room

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

Chair
Vice-Chair
Principal
Apologies

Apologies

In attendance

Heather Cross
Jayne Davis
Barbara Owen
Jonathan Creed
Tesh Baber

Clerk to the Corporation
Deputy Principal
HR Director
ICCA (until end of item 7)
Student Governor designate

1. Apologies and welcome

ACTION

The meeting gave a special welcome to Tesh Baber, the newly appointed SU President and student governor designate, who would be taking over from Kez Hawkins at the next meeting.

Apologies for absence were received from Victor da Cunha, Andy Furse and Gary Waylen.

2. Declarations of Interest

None

3. Confidentiality of Items

Items x and x were noted as confidential and would be minuted separately.

4. Presentation on Current Prevent Issues and College Responsibilities

Salam Katbi the Regional Prevent Adviser for FE and HE attended the meeting to present the latest work on Prevent nationally and in the region. She herself had over 7 years' experience in working with this

agenda. She reminded governors of the obligations on colleges concerning the Prevent agenda and spoke about some case studies about how individuals could be radicalised and how Prevent operated to counter this. She commented that the biggest terrorist threats currently were from lone actors.

Jayne Davis, Deputy Principal, gave a reminder about the specific expectations from Ofsted concerning Prevent. In discussion it was noted that governors were expected to hold the Principal to account for activity in the college to support and promote Prevent. Each member of staff should have some training and the impact of this was of prime importance. Risk assessment should take place and Prevent should be considered in relation to every college policy. The aspect of communicating with students about British values and how these might be included in different lessons was important. The college should be considering and promoting referral pathways. All these features were covered in the college's approach.

In answer to a question about the level of risk in the Bath area, it was commented that this area was relatively safe, but there were many referrals concerning the extreme right wing and also animal rights.

Salam Katbi was thanked for her thought-provoking and informative presentation.

5. Minutes of the meeting of the Corporation held on 22 May 2017 and any matters arising

Both the open and confidential minutes of the meeting held on 22 May 2017 which had been circulated previously were accepted as a true record.

The Chair and Principal reminded governors of the situation concerning the sale of the Ralph Allen building. Governors had approved by email resolution that the building should be sold to Dominvs for a figure of £8.35m, following a competition between two hotel developers. Both had offered similar terms including a deal on apprenticeships, a peppercorn leaseback by the college for a two year period with vacation required by September 2019, but as Dominvs had offered immediate payment, this offer had been accepted and payment had been received by the end of May. The Chair had written to the Chief Executive of Bath and North East Somerset Council and the Director of Place to explain that as the Council did not meet the agreed deadline for payment of the deposit on its deal, the College had had no option but to place the building on the open market and accept the deal offered elsewhere, but that the college was still seeking to invest in the local area and to work with the Council. It was understood that the Council was highly disappointed and the College should expect a letter from them. Governors reiterated that as the local authority had not been able to meet their side of the deal to provide the agreed deposit by the agreed deadline, that with regret, it had been necessary to protect the college's best interests and go elsewhere. All opportunities would be taken to build up links with the local authority and other local bodies and dignitaries. The new MP and the new Mayor had received invitations to visit.

6. Outline Budget 2017/18

An outline budget document and commentary had been circulated previously.

Jonathan Creed, from ICCA, introduced the key features of the budget which was being developed. A £603K deficit was anticipated at this stage, which included a £1m reduction on pay costs from the current year. The percentage spend on staff was anticipated to be at about 67%, which was at the high end of sector norms.

In response to a question on the key narrative features being built into next year's budget, it was noted that there was intended to be a move away from subcontracting and that the amount be halved again in the following year, with more direct delivery. Overall it was expected that the college was on a two year financial turnaround. College running costs were still at approximately £850K higher than income and close examination was underway to identify what would prevent running at income levels.

Governors asked about the impact of the new Construction Skills Centre. There would be an annual saving on rent of £160K.

Costs for the relocation of the Shrubbery and the catering operation would need to be factored into expenditure, alongside the work in identifying a new location.

It was agreed that the lessons learned from the creation of last year's budget and cashflow issues would be considered as to how these might be reflected in the risk register.

Governors looked forward to consideration of the final budget for 2017/18 at their July meeting.

7. Management Accounts for May 2017

The management accounts for May 2017 and a commentary had been circulated previously. Jonathan Creed presented the key current features in relation to income and expenditure. The reported position anticipated that the college would deliver the amount of activity expected against income. Clawback was anticipated to be held to £150K.

The end of year statutory accounts would include the deficit from the Local Government Pension Scheme where there was expected to be a further deficit. With this, the reported overall deficit position of the college at year end could be at around £2m. on the assumption that allocations were met.

Governors asked questions about the overall financial status of the college expected at year end – this was currently being calculated, but it was thought the college may remain as 'satisfactory'. Discussions were taking place with the college bankers as there were two bank

covenants which may be breached. The college's ratio of operating surplus to debt would certainly exceed the covenant obligation as things stood and an option to use cash to pay down debt was being carefully considered. Recommendations were to be presented to governors having been first discussed at the Finance and Estates Working Group.

8. Current cashflow position

A report on the cashflow position week ending 2 June 2017 had been circulated previously.

The meeting welcomed the much improved cashflow position and thanked college officers for addressing this.

9. Update on compulsory redundancy programme- CONFIDENTIAL (see separate confidential minutes)

10. Predicted Grades for 2016/17

A report on predicted grades was tabled. The predicted pass rate was 96% and achievement predicted to be 87.1%. Governors were reminded that the college could be assessed as 'requires improvement' if achievement rates at least 5% higher than benchmark were not being demonstrated, especially where there was inconsistency in results.

The results could not be certain at this stage, but much effort had gone into making improvements in GCSE and Functional Skills Maths and English and staff teams were pleased with anticipated results.

The Chair thanked college staff for their considerable efforts in seeking improvements to end results. The Quality Working Group would examine the detail in due course.

It was noted that Markbook was to be used more consistently, now having been used across the college, and this would allow earlier reporting of predicted grades.

11. Applications Report

A report giving an update on full time applications had been circulated previously.

It was noted that applications were higher than those at the same time last year, but more work would be necessary to meet income targets. Open evenings were still continuing to take place and were found to be worthwhile. Plans for positive responses to students on exam results day were being made, with the intention that everyone should go away with an offer. It was expected that the new Construction Centre would be an opportunity for increased recruitment.

Governors asked questions to satisfy themselves about how students were enabled to think about the most beneficial course for them. Further progress reports were anticipated at future meetings.

12. Minutes of the Search and Governance Working Group

The minutes of the meeting held 10 May 2017 which had been circulated previously were received.

13. Any Other Business

a. Audit Committee membership

It was agreed that Carole Stott and Jane Shaw be appointed temporarily to join the Audit Committee for the forthcoming meeting.

b. Student Union impact report

Kez Hawkins circulated a highly informative booklet showing the impact of Bath College Student union in the 2016/17 year. Governors were delighted to see the significant increases in involvement in the last year together with the range of activities.

The Board recorded its congratulations to the Student Union for the production of a great report and most importantly for the large amount of work it had done, reaching 93% of all the college's courses.

Governors thanked Kez Hawkins for her excellent work as a student governor over the past two years and offered her best wishes for the future and the business ventures she was planning to undertake

14. Date of next meeting

This had been previously agreed for Monday 17 July 2017.

15. Review of Executive Director of Finance role – CONFIDENTIAL – see separate confidential minutes.