

**Minutes of the meeting of the Corporation held via Microsoft Teams
19 November 2020 at 17:00**

Present

Carole Stott (CS)	Chair
Dan Ball (DB)	Student Governor
Paul Blenkinsopp (PB)	Staff Governor
Victoria Downing-Burn (VDB)	
Erica Draisey (ED)	
Lisa Ford (LF)	
Andy Furse (AF)	
Mike Oram (MO)	(until item 7.5)
Laurel Penrose	Principal & CEO
Ian Tavener (IT)	(until item 6.1 and then from item 7.5)
Gary Waylen (GW)	
Neil Wilson (NW)	
Julian Young (JY)	

In attendance

Jayne Davis (JD)	Deputy Principal, Curriculum & Quality
Paul Fletton (PF)	Interim Finance Director
Anne Roberts (AR)	Head of Governance

Attendance: 93%

ITEM
1. Welcome & Apologies for Absence
Apologies for absence were given from Jenny Williams. Mike Oram and Ian Tavener gave apologies for being absent for part of the meeting. Welcome was given to Victoria Downing-Burn.
2. Appointment of New Governor
The Chair reported that the Governance & Search Committee recommended Victoria Downing-Burn to be appointed as a member of the Board for a four-year term, until end of November 2024. The Board approved the recommendation.
3. Declarations of Interest
None
4. Confidentiality of Items
The Board agreed that item 6.2 (partnership proposal) and 10.1 (finance and estates notes) were confidential [and reports marked confidential].
5. Minutes
5.1 Open and Closed Minutes – 5 October 2020

The minutes of the meeting (both open and closed) held on 5 October 2020 were approved as an accurate record. These would be signed by the Chair by electronic signature following the meeting.

5.2 Actions and Matters Arising

The Board considered the action register. All actions had been completed, were on this agenda or future agendas. The Board agreed to defer the HR Strategy to the January meeting.

6. STRATEGY

6.1 Principal & CEO's Update

LP presented a verbal update as follows:

- There had been 30 cases of covid-19 infections (22 CCC and 8 SVC of which 20 were students and 10 staff). 92 students and 23 staff had self-isolated. Only one case resulted in a cross infection. B&NES had commended the college for how well cases had been managed and for the rigour of its process
- There were some students with significant poverty needs and initiatives were being introduced to support such students with emergency packages of food and treats and Christmas boxes. This was being coordinated with B&NES. A "community chest" project with support from the community well-being hub and the college catering dept was underway to provide frozen meals for those who needed them.

Members were asked to let LP know of any organisations who might wish to be involved in this either financially or via other support

- The stress and strain of the pandemic was taking its toll on staff and students and she outlined a number of initiatives to support staff. This included the appointment of a staff welfare officer
- The T-Level Qualifications capital bid had been partially accepted with the award of £1.2m. She thanked JD and Kate Hobbs for their support. Members asked about the impact given the shortfall in funding requested. LP reported that the overall resource package across a range of funding sources would be considered to ensure that everything was provided.

6.2 Partnership Proposal (confidential)

Confidential Minute

7. SCRUTINY

7.1 Overview of end of year 2019-20

GW reported on the meeting that had taken place on 10 November with the Chairs of Corporation, Audit and Finance in advance of the Board. The paper discussed was presented to the Board.

PF reported on the year end finances which had ended positively, with a strong cash balance. However, after year end, some unexpected legacy issues were identified which had consequences for the College's covenant position. This had resulted in a 'minor technical breach' over a two-week period of one of its covenants. The result of this was that the College loans had been classified as short-term loans (repayable within 12 months). While the College retained its 'Requires Improvement' ESFA financial health

classification, its score had reduced. A meeting had been held on 13 November with the bank and external auditors and there were no indications that there would be any adverse impact as a result of this minor technical breach, other than a reclassification of the loans.

During discussion, members asked how this could be avoided in future, what lessons could be learnt in order to reduce future risk, and whether there were any implications for the College with the ESFA.

PF reported that there had been a lot of churn within the finance team at senior level in 2019/20 and previous years which had resulted in considerable loss of knowledge. The finance team was now more stable with the appointment of a new Head of Finance who had been with the College for 10 months. Recruitment was taking place for a new Director of Finance & Corporate Services and this had been put on the strategic risk register.

In relation to the ESFA, he reported that as the rating had not changed, this would be unlikely to result in any closer monitoring from the ESFA, particularly as liquidity was strong and the College had a positive set of results financially. PF confirmed that the covenants had been regularly monitored and no breach had been anticipated. It had purely been a timing issue in relation to the legacy issues.

LP reported that the College finance processes were being refined, KPI and dashboard reports would be introduced again for Finance & Estates and the Board, and the finance team was now more stable. There had been no change to the operational finance team but the transition process with the new Director of Finance would need to be carefully managed.

The Board thanked PF and LP for all their work in dealing with the financial items with the bank and the external auditors and presenting the position so clearly.

7.2 Bank Loans

PF reported verbally on the discussions with the bank and external auditors. The meeting had been very positive and had provided assurance to the external auditors. The bank needed to go through its internal processes to get approval and legal sign off of the extension of the loans in order that the college year end accounts could be signed off by the end of January 2021.

7.3 Going Concern assessment

PF presented the Going Concern assessment together with the Income and Expenditure Account that showed the 2020-21 budget, a draft re-forecast of the likely 2020-21 position and an indicative 2021-22 position, balance sheets for 2019-20, 2020-21 and 2021-22 and the monthly cashflow covering 2020-21 and 2021-22 years. He also provided an assessment of the position against existing bank covenants.

He reported that the College position was positive and should provide assurance to governors that the College would remain a going concern well beyond the 12 months required. He reported that the College had a sound base going into 2021/22 due to student number recruitment in 2020-21 because the lagged funding methodology would mean that more revenue would be received in 2021/22. He stated that the going concern assessment

this year was more detailed than usual, partly due to the external auditors seeking a higher level of assurance due to the covid-19 pandemic.

He reported that the two exercises had been done on a tight timescale and earlier than usual. These were the reforecast of the current year and a 2021/22 forecast. This was because they were in advance of the critical 2020-21 R04 return and before the funding allocations were confirmed for 2021-22. PF highlighted the variations and key points and confirmed that a more comprehensive reforecast would be done in December. He did not expect there to be any clawback for 2019-20. The position would be monitored by Finance and Estates on 2 December.

Members asked what would happen if information was received following sign off of the going concern statement that might affect the going concern position. LP stated that funding for FE was done annually with many adjustments in year. The budget was being monitored carefully and it was normally the AEB budget that was particularly at risk. She reported that funding from WECA and the ESFA were in line with profile, but there was always an element of risk in year. The ESFA would intervene if there was any doubt about a college's going concern position.

Following detailed consideration, the Board approved the Going Concern statement as outlined in the report for inclusion in the financial statements.

7.4 Draft indicative 21-22 Financial Position

The Board considered and noted the draft indicative 21-22 financial position, together with the financial assumptions. No further comments were made in addition to the earlier discussion.

7.5 Strategic Resilience: High Level Discussion

Members considered the updated College Strategic Plan 2020-2025 and questions around organisation resilience. LP and JD provided external context in relation to curriculum, collaboration and partnerships and inclusive learning culture for all. The financial stability and excellent quality underpinned the college's resilience.

Key points highlighted included:

- Recruitment for full time courses was above the regional demographic profile
- Apprenticeships were strong and similar to last year, as was HE. international students had grown
- The college aimed to be the best, not the biggest; resources need to be sufficient to achieve resilience. According to the FE review, the most efficient college size was £20-25m
- A flexible curriculum was required for the college to grow, together with expert staff and a flexible structure of delivery
- Increasing collaborative and partnership activity would enable further resilience and growth
- The inclusivity culture of the college was deemed to be good but more work was needed on staff well being and resilience
- Learning and development of staff had improved and would be a focus of the HR team

During discussion, members provided the following comments to help further shape the strategy and planning:

- More emphasis was perhaps needed on digital to reach out and communicate to students and the community
- The health and well-being agenda helped drive productivity and learning
- A key focus should be to address the rag status of staff, well-being and culture and to consider what 'culture' means. A culture where staff were empowered and their well-being nurtured was very important and should be part of the HR strategy
- Staff could be asked what values were important to them and it made clear what the 'usp' was of being a member of Bath College compared to competitors and how this was measured
- Employers could further add value and help influence curriculum provision as well as providing an opportunity for staff to update their skills to industry standards. Consider recognition for this.
- The green agenda and knowledge economy were evident but could be threaded through the strategic plan
- An important focus was to ensure that students who fell through the gap at levels 1 & 2 were supported with the right courses so that they could gain employment skills to enable them to enter the workforce
- Could the plan be simplified to provide key headlines and easy dissemination to staff so that they could understand where they fitted in to the strategy? Staff had been involved in building the plan and would be key in delivering the activity. Their retention and development was paramount.

LP and JD thanked governors for their comments. The medium-term business plan was in development and would set out how the strategy would be put into action, with KPIs. This and the HR Strategy would come back to the Board for discussion.

8. GOVERNANCE

8.1 Chair Succession

AF reported that the advert for a new Chair closed on 29 November 2020. There had been three expressions of interest to date. Discussion took place on the timing of succession and transition period. The Chair confirmed that she was willing to be flexible and to provide a longer hand over period if needed for a finite period and ideally with the chair designate attending the Board until formal appointment. A recommendation would come to the Board in December following the interviews.

9. ITEMS FOR APPROVAL

9.1 Management Accounts – September 2020

The Board considered the September management accounts, noting that these had been scrutinised by the Finance & Estates working group. The Board approved the accounts.

10. ITEMS FOR INFORMATION

10.1 Finance & Estates Working Group

The notes of the meetings held on 4 and 10 November were noted.

10.2 Curriculum and Quality Working Group

The notes of the meeting held on 19 October were noted. ED reported on the large number of agenda items and thanked JD for her work on the T level qualifications plan which had been shared with governors.
10.3 Governance & Search Committee
The notes of the meeting held on 5 October were noted. A verbal update had been given at the previous meeting.
11 CONFIDENTIAL BOARD – external members only
Confidential Minute
12. Any Other Business
None
13. DATE OF NEXT MEETING
16 December 2020 at 17:00
Future Meetings
27 January 2021
26 February 2021 (strategy day)
29 March 2021
24 May 2021
12 July 2021

Signed (Chair): 

Date: 16 December 2020