



Minutes
Meeting of the Corporation
Monday 2 July 2018 at 4.30pm
Salter Chalker Room, Hall Place Mansion

PART 1

Present:	Pippa Goodwin (<i>Chair</i>)	Neil Prior
	Neil Dew-Gosling	Ian Thomson
	Emily Hutt	Janet Robertson
	Gillian May (<i>Principal</i>)	Andrew Try
	Frank Pitkin	Ryan York

Apologies: Dave Snowden
 Daniela Shanly
 Gareth Osborn

In attendance:	Anne Entwistle	<i>VP Curriculum and Students</i>
	Richard Munday	<i>Finance Director</i>
	Tracy Reeve	<i>Clerk to the Corporation</i>

[The Governors had a pre-meeting without members of SLT present which was not formally minuted.]

85/18 Apologies

Apologies had been received from Gareth Osborn, Daniela Shanly and Dave Snowden.

86/18 Notification of any other business

There was no other business notified.

87/18 Notification of Members interests

There were no interests notified.

88/18 Minutes of the meetings held on 16 May 2018.

The minutes were approved and signed by the Chair as a correct record.

89/18 Matters Arising

• **Student Enrichment (*minute 63/18*)**

Governors sought an update on the dialogue between management and the Student Council to talk in detail about improving student enrichment. The Student Governors confirmed that discussions were ongoing, action for 2018/19 was being planned and a further meeting was scheduled for week commencing 9th July.

NOTED

There were no other matters arising that were not already included on the agenda.

ITEMS FOR DECISION/ APPROVAL

90/18 Governance Matters

- **Draft meeting timetable 2018/19**

The meeting noted the proposed Corporation and Committee meeting schedule for 2018/19. The Clerk asked members to notify her of any non-availability to enable dates to be finalised. The dates for the strategy days in 2018/19 would be agreed in September 2018. Governors discussed whether the proposed February 2019 meeting would be required as there was also a timetabled meeting in March 2019; it was agreed to leave this date in the diary for now and decide in December 2018 whether this meeting was necessary. The Clerk informed the meeting that she would send 'Outlook Calendar' invitations for the meetings to all attendees to enable them to schedule their electronic diaries.

The BCA meeting timetable 2018/19 was AGREED, all Governors to notify the Clerk of any non-availability for meetings by 21 July 2018.

- **Revised BCA Instrument and Articles**

The Clerk presented a revised version of the BCA Instrument and Articles (I&A) which had been amended in relation to forthcoming changes to the Charities Act (2011) around the disqualification of Trustees. Members noted that from 1 August 2018 there would be changes made to the current rules on the automatic disqualification of charity trustees; these will be relevant for governors and senior employees of FE Corporations. The Clerk highlighted the amendment at Instrument 8 'Persons ineligible to be members' and Instrument 10 'Termination of membership' to reflect the changes. Governors were given assurance that the suggested amendments had been drafted so that they could be introduced by FE corporations ahead of changes to the Charities Act.

Governors APPROVED the amended BCA Instrument and Articles as presented.

- **Student Governors' Report**

Student Governors (EH and RY) gave a verbal update and covered three main projects which the Student Council had recently undertaken. EH and RY informed the meeting that the Food Sub-Group had now conducted the food survey and had received 145 responses; the results had been shared with the catering contractors Baxter Storey. This survey would be repeated in September 2018 to capture new starters. The Governors thanked RY and EH for their input as student governors during 2017/18. The meeting was pleased to note that EH would be remaining in the role of Student Governor for a second year during 2018/19; this would provide valuable continuity for the Corporation.

The meeting NOTED the Student Governor feedback and thanked the Student Governors for their input and contribution over the last year.

- **Link Governor Feedback**

Individual Governors fed back a range of thoughts and anecdotal findings after their recent Link Governor meetings. The Chair (PG) gave the meeting an update on the recent Higher Education Quality Review Board which she had attended and chaired. FP highlighted the strong results in the areas he was linked with; he had been pleased to note the high percentage of students meeting or exceeding their target grades for 2017/18 (in Equine 63% had exceeded and in Sport this figure was 68%); this represented considerable improvement on the prior year's performance. He also highlighted the strong pastoral support that was now available for Motor Vehicle students; the strong Learning Support Assistant presence was making a big

difference to the MV cohort. AT gave the meeting feedback from his recent visit to Animal Management and how impressed he had been with the operation of the department. The Chair reminded the meeting that there was a wealth of up-to-date performance data available online which Governors should look at as part of their Link Visits.

NOTED

91/18 Budget 2018/19 and Plan Years 2019/20

The Finance Director presented the budget 2018/19 and financial plan 2019/20 along with a full commentary. It was noted that as in the prior year, the budgeting model had been constructed based on the College curriculum planning model. It also linked to the ESFA schedules to enable any amendments to flow-through and show any resulting change to the Financial Health category.

- **Year-to-date performance and full year forecast**

The Finance Director (RM) informed the meeting that the forecast for year-end 2017/18 was as presented in the May 2018 management accounts and had not varied for the last few months. The full year forecast operating surplus was forecast to be £144k on turnover of £12.6m. Governors were reminded that this was the third consecutive year where an operating surplus had been achieved. The commentary highlighted the SLT expectation that the current Notice of Financial Concern would be lifted in early 2019. Governors were given assurance that all work was on track to enable the College to access Restructuring Funds from the Transaction Unit (TU) after the FE Commissioner had revisited his Area Review recommendation. He was now recommending that BCA should maintain independent status rather than merge with another FE institution. RM confirmed that the timetable for completion on the TU funding was still expected before the year-end 2017/18 and as such the forecast for 2017/18 assumed the receipt of £3.914m in July 2018 and the repayment of £3.175m current debt before the year-end. This would reduce the borrowing percentage from 44.6% to 25.4% in the current year.

- **College Budget 2018/19 and Plan 2019/20**

The meeting considered the budget and supporting commentary for 2018/19 which clearly outlined the rigour of the budget process and the underlying assumptions. The meeting considered the following documents for the three years from 2017/18 to 2019/20: Statement of Comprehensive income; Balance Sheet; Cash-flow statement; Sensitivities; and Statement of Ratio analysis and Financial Health Grade.

Statement of Comprehensive Income:

Members noted that the budget 2018/19 showed projected income of £13.623m and an operating surplus of £176,000 at year-end. The meeting noted that the projected total income figure would rise to £13.784m by the end of the two year period with an operating surplus of £185,000 in 2019/20.

Governors sought and were given confirmation that this was a realistic financial plan and had been subjected to detailed sensitivity analysis; GM confirmed that this was required within the SFA template for the budget and financial plan. The Principal also highlighted the additional assurance of the rigorous recent testing by the Transaction Unit around the budget and financial plan. Other key points were noted:

- ESFA income in 2018/19 had been taken from confirmed allocations; there was no increase in ESFA agency income assumed in 2019/20.
- The budget included an increase in 16-18 and 19+ apprenticeships in 2018/19 followed by a further increase in 2019/20.

- Staff costs as a percentage of income were expected to be 62.3% in 2018/19 and 64.5% in 2019/20 due to increased pension costs and small salary increases. Teaching staff pay costs were based on the curriculum plan.
- Non-pay costs were forecast to be largely constant throughout the 2 year period. The meeting sought, and was given, assurance that a detailed line-by-line review of all non-pay costs had been carried out by the Finance Director and budget holders.

Balance Sheet:

The meeting considered the Balance Sheet over the three year period. Key points noted were:

- Current assets remained largely constant throughout the two year period.
- The profile of the College's loan repayments would improve significantly during the next two years following the receipt of restructuring funds in July 2018. This would mean that current liabilities would be much lower in July 2018 at £1.1m, and falling to £358,000 in July 2020 (compared with £6.6m at July 2015).
- No movement in the FRS17 pension liability had been included; the confirmed liability would be notified in late August each year.

Cash Flow:

The meeting considered the cash-flow statement over the two year period and noted that cash would increase in each of the years as a consequence of the receipt of the TU funding. There would be an additional £924,000 cash headroom which would enable the College to avoid the historical pinch-point in spring due to the phasing of Agency income.

Ratio Analysis and Financial Health:

The meeting noted a summary of all ratios and financial health grades used in the ESFA financial forecast model. Governors were pleased to note improvements in ratios over the two years of the 2018/19 budget and 2019/20 plan. Contingent on the TU funding being received during July 2018, the College was predicted to return to a 'good' health grade in 2017/18 and maintain this into 2019/20. The Principal assured the meeting that the budget was prudent and based on what the SLT knew at the moment. However, she reminded Governors that the FE sector and future funding continued to be very uncertain. It was noted that the budget 2018/19 would be reviewed in autumn 2018 after the first six weeks of term when the final enrolment for the year was confirmed and HE recruitment was known. Governors noted all the detailed calculations and work-sheets which supported the budget presentation and the ESFA Financial Health calculation. The Principal highlighted that the budget 2018/19 as presented enable BCA to largely meet the FE Commissioner's 'Sector Financial Objectives' around surplus, staff costs, borrowing and current ratio (as shown on page 1 of the commentary). Only the required level of current ratio – defined as 'above 1' - would not be met at 0.96 in 2018/19 (compared with 0.59 in the current year). Governors were pleased to note that all 4 FE Commissioner criteria would be achieved in 2019/20 with the current ratio at 1.08; BCA not meeting these measures had been a previous concern for the Corporation members.

The meeting noted the Annex A Financial Planning Checklist issued by the ESFA and agreed that the budgeting process as undertaken for 2018/19 met the criteria within the checklist. The FD had undertaken a very thorough process and his narrative report was commended.

The Governors NOTED the Financial Planning Checklist for the budgeting process.

The BCA Budget 2018/19 and Financial Plan 2019/20 were APPROVED.

92/ 18 Risk Register/ Board Assurance Framework

The meeting considered the Board Assurance Framework which clearly detailed the key strategic risks against the four strategic priorities for BCA. This item was now a standing item for consideration at each Corporation meeting. Governors noted that this document had been reviewed but the risk ratings had not changed since last presented to the Corporation in May 2018.

The meeting discussed the key risks which were currently rated as 'red' and the ongoing mitigation that was being provided against their crystallisation:

Risk 8 'Insufficient capital investment in the listed assets, specifically the mansion house' (Risk score of 20 'red' after mitigation): The meeting was reminded that the issue of securing the requisite funding for the future maintenance of the heritage assets was still uncertain; the restructuring funds could not support the heritage asset. The plan to secure this funding stream for the Mansion and the other heritage assets would be a key priority for action during 2018/19.

Risk 10 'Insufficiently developed succession planning/ staff retention strategies (Risk score of 20 'red' after mitigation): The Principal reminded the meeting that the HR Team were continuing to implement new initiatives and activities for staff which did not cost a great deal of money but provided benefits for staff.

Risk 17 'Failure to comply with GDPR requirements from May 2018 (Risk score reduced from 20 'red' to 15 'amber' after mitigation): The meeting was assured regarding progress against the GDPR Action Plan which was now a standing agenda item at Corporation meetings.

The meeting was reminded that the Risk Register/ Board Assurance Framework would be reviewed by the SLT in September and considered in detail at the next Audit Committee meeting on 19th September 2018. Governors commended the considerable progress made by College management during the last 6 months which had enabled the first 3 key risks to be downgraded from 'red': Failure to retain independent status (now rated 'green' after mitigation); LGPS deficit to be significant ('amber' after mitigation); and Failure to address reductions in external funding and the College being unable to remain a going concern ('amber' after mitigation).

The Board Assurance Framework/ Risk Register was RECEIVED.

ITEMS FOR INFORMATION

93/18 Estates and Campus Report

The meeting considered the information provided which included the current status, challenges and achievements and opportunities around the following: facilities, buildings and planned general maintenance; utilities; the current building project 'Engineering Skills Building'; grounds; farmed estate; and sustainability. The meeting commended this useful report which continued to give Corporation Members a clear view of the current issues around the wider BCA estate and clearly highlighted achievements and challenges. The Principal reminded the meeting that an element of the proposed Transaction Unit funding would enable work to commence on replacement of the pipework; this would go to tender as soon as the restructuring funding was received. The meeting noted the 'minor works' taking place over the summer break which would include: new fire walls in the residential blocks; permanent fencing around the coach park; and a refurbishment of Cheeki's Café.

The Estates Report was NOTED and COMMENDED for its detail and clarity.

94/18 Academic Report

• In-Year Performance 2017/18

The meeting considered the report which was presented by the Vice Principal Curriculum and Students (AE). The meeting noted the summary of progress at June 2018 against the 2017/18 QIP which had been based on the Self-Assessment 2016/17 and the detailed Post Ofsted Action Plan which had been drawn up to reflect the quality improvement required by the March 2017 Ofsted inspection. This document was now presented as a one-page dashboard of progress against the four key priorities: quality of teaching, learning and assessment in GCSE maths; apprenticeship provision; stretch and challenge; and processes to comply with SEND Code of Practice. The meeting commended the progress made against each of these during 2017/18 year-to-date and noted the action planned for the remainder of the academic year. The changes to the QIP since last presented were highlighted. The detailed data was considered and members sought clarification on the current attendance rate of 97.5% which seemed high; this was confirmed as correct against a national average of circa 85%. Governors discussed the improvement achieved in progress against target grade with 79% of learners now at or above their target grade across College (this figure had been 71% in the prior year); AE confirmed that further achievement would crystallise before the year-end so this figure would rise. Governors asked to be kept in touch with the final year-end achievement in advance of the next meeting in September 2018.

NOTED.

• Landex Peer Review Visit

The meeting noted the report from the Landex Peer Review visit which had taken place on 21st and 22nd May 2018. Governors were reminded that Landex – ‘*Land Based Colleges Aspiring to Excellence*’ - was a subscriber organisation with 36 member Colleges and Universities in England and 3 Members in Wales, Scotland and Northern Ireland. To qualify for membership the provider must deliver significant volumes of education and training in land based occupational areas. Landex was affiliated to the Association of Colleges (AoC) and BCA’s membership enabled it to access peer review, training courses and specialist briefing for members. Governors agreed that membership of this organisation added value to management and staff through valuable CPD opportunities and peer review. It also gave the Corporation an additional source of external assurance. The meeting agreed that the ongoing membership costs of £8-£9,000 per annum represented good value for money.

The Landex Visit had focussed on inclusion and the meeting noted the finding that: *‘A strong strategic steer around inclusion has resulted in inclusion in the wider context being intrinsic in the culture across the College for example, clearly evident in Foundation Learning, IAG and Work Experience and across the Pastoral Tutors. Students were able to provide examples of support outside of the classroom and value the additional resources provided, for example access to a specific ‘breakout’ area that is staffed at lunch time.’*

The meeting was also pleased to note the following comment in the report: *‘There is clear evidence of strategic and quality improvement planning with highly relevant actions to support the overall improvements identified by managers as seen in the Foundation Position Statement and QIP.’*

The meeting considered the five recommendations for improvement in relation to inclusion in the report as follows:

- i) Further development of the recruitment processes for apprentices, for example staff being involved in the apprenticeship interview with the employer to ensure the college is an inclusive partner in learning with the apprentice from the beginning of the learning journey

- ii) Staff development around 'in learning' progress linked to stretch and challenge for the Learning Support Assistant (LSA) team and consolidation of CPD activities for teaching staff
- iii) Delivering CPD opportunities for vocational staff who will need to teach to exams as part of the new technical qualifications, include CPD activities for LSAs where appropriate
- iv) Strengthening the line of sight between the SAR priorities and the departmental QIP priorities, to ensure energies are prioritised to have the greatest collective impact for the students.
- v) Strengthening the role of the LSAs in the planning of teaching, learning and assessment. amending lesson plans to highlight the positive impact LSAs have on learning and progress.

Management confirmed that all of these recommendations would be actioned during the new academic year.

- **Apprenticeships Update**

The meeting noted the year-to-date overall (73%) and timely (53%) success rates for 2017/18; the year-end predicted timely success was still holding at 74%. **Governor reiterated their request that an additional column should be added to this table showing 'best case' year-end predicted outcomes.** Detailed data showing the current BCA funding performance against each line of the allocation - levy and non-levy, pre and post May 2017 – was noted by the meeting. This financial data also gave a breakdown of contribution rates. The Principal confirmed that the College was earning apprenticeship income in line with the forecast and had just secured an additional £24,000 in the contract value to meet a growth request. The target enrolment numbers by curriculum area for September 2018 were noted; the total figure was now 81. The Principal informed the meeting that the Apprenticeship Business Development Team had just secured 6 apprentices at Blenheim Palace; 4 horticultural and 2 landscape/grounds. Governors commended BCA for securing this prestigious contract. It was also noted that the College was also having success with targeting grounds apprentices in independent schools. The meeting discussed the opportunity to extend the geographical area of provision with the College offering blended learning and e-learning as an option; this would be developed further in 2018/19.

English and maths performance: The meeting noted the results from the functional skills exams held during May 2018. These were disappointing with only 50% of the 8 learners taking L2 English securing a pass; the 3 learners taking L1 and L2 Maths did not pass.

Landex Peer Review May 2018: The meeting noted the following extract from the previously discussed report:

'The apprentices involved in the review spoke highly of their experience at the College, they felt the resources were industry standard, they valued the on-line portfolio and felt well supported with timely feedback being provided to support their development and achievement. They were able to discuss the learner review process and are proud to be a part of BCA.'

- **Higher Education (HE) Report**

The meeting noted the standing HE Report which highlighted the following headlines of the Higher Education provision at BCA.

Positive:

- The Office for Students (OfS) had confirmed that all necessary documents had been received from BCA in connection with the OfS Registration application.

- BSc Veterinary Physiotherapy enrolment target for 2018 entry now achieved +2 with two more potential students currently in pipeline.
- Royal Agricultural University (RAU) Exam Board had agreed and confirmed all grades for 2017-18; positive External Examiner reports.
- Discussions with RAU for validation of additional programmes now re-opened.

Not so positive:

- There had been no further contact from the OfS appointed named contact in connection with the College's post QRV Action Plan despite the College following this up on several occasions.
- Recruitment for FdSC Animal Behaviour & Welfare continued to be disappointing; 1 new applicant had been generated via Extra campaign; UCAS Clearing traditionally generates applicants for FdSc Animal Behaviour & Welfare; this would be supported by email campaign.

HE Applications September 2018: The meeting noted that the total enrolments in September 2018 were now forecast at 83 against a target of 90.

The Academic Report was RECEIVED.

95/18 Finance Report

• Finance Director's Report

The meeting took the Finance Director's Report as read. This provided additional narrative around the following: 2017/18 financial update; 2018/19 budget; application for Restructuring Funds; cash flow; internal audit activity; and the LGPS pension deficit. In considering cash-flow, the meeting sought, and was given, confirmation that there would be no need for an overdraft in 2018/19 when the restructuring funds had been received. The meeting was delighted to note that the actuary had now confirmed the additional contributions that would need to be paid to reduce the College's LGPS deficit starting in August 2018; these would amount to circa £31,000 in the 2018/19 financial year, compared with the original figure of circa £200,000. Management confirmed that the College had posted the required gender Pay Gap reporting on the College website; the overall position across College was that female employees were paid 2.7% higher on an hourly basis (due to the high proportion of females within the senior management structure).

• College Management Accounts: May 2018

The meeting took the Management Accounts to 31 May 2018 as read. These showed a £367,000 operating surplus for the year to date which was in line with the reforecast. The meeting was reminded that the College was now forecast to make a surplus of £145,000 for the full year 2017/18 compared with the original budget of £199,000. The FD reminded the meeting that this surplus figure was very tight and there was very little 'margin for error'; all budget holders were being reminded of the need to carefully control expenditure during the last quarter of the year.

The report highlighted the significant variances in income (£21,000 above reforecast at £11.4 million) as follows:

- Apprentices: £33,000 above the re-forecast at £292,000 after the College growth request had been approved.
- High Needs Income: £62,000 below forecast at £1,219,000 due to the withdrawal of 3 learners.
- HE Fees: £53,000 above forecast at £357,000 due to higher uptake of Veterinary Physiotherapy than reforecast

Pay costs for the year to date were £15,000 below the re-forecast at £6.94m (not considered to be a material difference). The meeting noted that current staff costs

equated to 62.4% of income which was 1.8% lower than the full year forecast (due to the timing of income).

Non-Pay costs were £34,000 adverse against the re-forecast at £4.1m of which: £36,000 was fuel oil (offset by biomass fuel and electricity savings); £38,000 was due to Student Transport (offset by higher income), and £61,000 Depreciation which had been understated in the reforecast. This had been partially offset by an underspend in Marketing of £28,000 against the reforecast of £121,000. Governors sought assurance that this underspend on Marketing had not had a detrimental effect. They were given assurance that the same level of planned marketing provision had been secured at lower cost.

The meeting received the dashboard of financial key performance indicators and the Human Resources data dashboard which accompanied the management accounts on a monthly basis and a detailed cash-flow forecast.

The May 2018 management accounts were taken as read and RECEIVED.

96/18 General Data Protection Regulation (GDPR) Action Plan

The meeting considered the outline Action Plan which had been developed to ensure that the College met the requirements of the new GDPR which had now come into force (from 25th May 2018). The Principal informed the meeting that the College Executive Team had now been assured that they would not need to appoint an external Data Protection Officer (DPO) for the College. This role – which was required under the new legislation – would be covered by the Finance Director who would be supported by a number of other key managers including the Director MIS and the Principal. Governors were assured about progress in this important area of compliance with the majority of actions now being rated as ‘green’ completed or ‘amber’ on track for timely completion.

The GDPR Action Plan was NOTED and RECEIVED.

97/18 Applications 2018/19

The meeting noted a detailed spreadsheet showing applications by curriculum area at 25th June 2018 compared with the same point in the prior year. Applications for September 2018 were currently at 1,439 which was 13 higher than at the same point during the prior year. The meeting considered the curriculum areas which were behind compared with the prior year: Agriculture, Art and Design, Media, Motor Vehicle and Sport. Governors were reminded that an element of Motor Vehicle provision had now transferred over to Apprenticeships. The meeting was also reminded that Travel and Tourism was not enrolling Year 1 learners in 2018/19, only the 9 Year 2 learners would be on role in order to complete. The Principal highlighted the strong enrolment in Health Studies (158% compared to the prior year); this was due to the Level 3 course which provided a new ‘gateway’ into a nursing apprenticeships. This new apprenticeship would enable a nursing qualification to be achieved without paying HE fees.

The Applications Report was NOTED

98/18 Health and Safety (H&S) Report

The total number of accidents for the year to date September 2017 to May 2018 was noted as 69; this was significantly lower than the previous year’s figure of 173. The meeting was reminded that this drop was largely due to the change in the way that the data was collected; Equestrian falls and animal bites were no longer recorded as an accident. There had been no RIDDOR reportable incidents in the period. There had been two dangerous occurrences which had been investigated by the H&S

Manager both in relation to lights falling; one in the Sports Hall and one in the Learning Centre. The recommendations that resulted from the 2 investigations were noted and Governors were assured that all lights had now been checked to look for any possible weakness.

H&S Training: Training completed since the last meeting included: Safe Lift Release Training (5 staff); and First Aid Qualification Training (completed by 9 members of staff).

The Health and Safety update report was NOTED.

99/18 Audit Committee feedback

The Chair of Audit Committee (NDG) gave the meeting a verbal update on the recent Audit Committee meeting held on 20 June 2018. The lead audit partner from the College's external audit provider (RSM) had attended the meeting to discuss the timetable and plan for the audit of the College's 2017/18 financial statements. This would take place in October 2018. The RSM audit partner had confirmed that it was foreseen that the 'emphasis of matter' statement around the College's going concern status which had been required on the 2016/17 accounts would not be required for the current year's accounts. The meeting also noted that the Audit Committee had also asked management to review and consider the level and scope of internal audit provision that would be required by the College during 2018/19. This would be debated further by the Audit Committee in September 2018.

NOTED

ANY OTHER BUSINESS

100/18 Any Other Business

There was no other business. The meeting closed at 6.35pm.