

**Minutes of the Meeting of the Corporation
held on Monday 11th July 2019 at 8.00am
in the Boardroom of Matthew Boulton Campus**

Present:	Apologies:
Sir Dexter Hutt (Chair) (SDH)	Dan Zastawny
Cliff Hall (Principal) (CH)	Michele Larmour
Veronica Docherty (VD)	
Keith Horton (KH)	
Asha Devi (AD)	
Hilary Smyth- Allen (HS)	
Simon Thompson (ST)	
Amardeep Gill (AG)	
Angela Myers (AM)	
Prue Huddleston (PH)	
Iqbal Mohammed (IM)	
Jane Smith (JS)	
Daniel Millington (DM)	
Sam Coles (SC)	
In Attendance:	
Louise Jones (LJ)	
Liam Nevin (LN)	
Martin Penny (MP)	
Steve Bengier (SB)	

Apologies for Absence

Apologies for absence were received from Dan Zastawny and Michele Larmour.

Declarations of Interest and Matters Arising

No declarations were received in addition to those contained in the register.

AM stated that she was not present for the May Corporation meeting and the minutes should record her apologies.

SDH advised that this was the final meeting for JS and DM whose terms of office were finishing. On behalf of the Corporation SDH thanked both for their contribution and presented them with a token of appreciation.

SDH welcomed AD to her first meeting of the Corporation.

Item 1 – Minutes of meetings held on 16 May and 17 June 2019

The minutes were agreed as a true and accurate record and the action log was noted.

Item 1 – Stourbridge Disaggregation – Transfer Agreement

LJ introduced the report and explained that whilst there were no substantive concerns around the property transaction the matter was not progressing at speed because of the the need for third party consents.

There had been a meeting with the banks and funding agency on the 10th July and this had clarified what the College needed to do in order to receive the consent of the banks and the ESFA to the transaction.

LN advised that the equality impact assessments were now re-presented to the Corporation and that these had been updated to reflect the matters raised at the June meeting. It was important that the Board had regard to the equality duty by reference to the information in these documents. In relation to the transfer agreements, advice would be taken from Freeths on the key commercial terms to inform any further negotiations. This would be shared with governors.

The remainder of this item is recorded in a confidential minute

Accordingly it was

RESOLVED

- **That the Corporation approve the transfer of the Stourbridge provision on the basis of the Heads of Terms previously agreed**
- **That the Transfer Agreements with Dudley and Halesowen Colleges give effect to the Heads of Terms**
- **That authority is delegated to the Chair of the Corporation, the CEO and Principal, and the Chairs of Finance and Audit Committees to finalise and approve the terms of the Transfer Agreements.**
- **That completion is agreed for 1st August 2019**

Item 3 – Report from the Chair of Academic Standards and Quality Development Committee

VD advised that there were three key areas to report back on but it was useful to note that Anna Jackson had delivered an informative presentation on the priorities for Sutton Coldfield College and that the Committee had also received a positive report on Harborne Academy showing improvements against ten of thirteen indicators.

(i) Draft Minutes 13.6.19

These were noted

(ii) Review of Post Inspection Action Plan

A report by the Click organisation on a quality review of provision across all of BMet was undertaken in April 2019. It presented a mixed picture, with good evidence of stretch and challenge but also too many lessons that were not well planned. There was still much to be done. The Post Inspection Action Plan (PIAP) sets out the actions needed to address these challenges and a new Teaching and Learning Strategy had been launched in June along with a marking and feedback strategy.

SDH stated that the Click report reflected a positive picture of performance at Erdington Skills Centre and this had been shared with staff so that there was transparency around the standards that the College was working towards.

CH advised that there had been a staff conference on 19th June preceded by management workshops which set out the new direction. Teams were also encouraged to plan the work for next term and there would be follow up then with inspectors assessing progress.

JS stated that there had been positive feedback from staff in respect of the staff development week and that curriculum staff had been given a clear structure for lessons. She had also had

positive feedback about the Chair's presentation to staff and that staff found the key messages to be motivating.

SC stated that the structure with Assistant Principals had given clear direction and the staff development week had provided a valuable opportunity for team working.

SDH stated that he had encountered a positive outlook from staff and a willingness to embrace change

AG stated that it was pleasing to hear that staff were engaging positively as there was a risk that staff would feel "change fatigue."

HS stated that the College had tried a number of initiatives over recent years and she was looking for some assurance that these changes would have the necessary impact.

In response CH stated that by December 2018 he was concerned that the quality improvement measures in the College were not working satisfactorily. He recalled that the Academic Standards Committee had raised a number of concerns and challenges that reaffirmed this. Work had been commissioned to review teaching and learning performance at each College and this had provided the evidence base which had informed the strategies now being delivered. However, there was much to be done and the next year would be critical.

SDH stated that the current structure was also proving effective and the College was moving in the right direction with staff buy-in to what they were being asked to do.

KH stated that he would welcome a further report on progress in the new term as it was essential that staff were demonstrating enthusiasm and passion for student performance. CH commented that a detailed review from Ofsted registered inspectors was planned for the week beginning 7th October 2019.

(iii) HE Access and Participation Plan

VD stated that under recruitment in HE continued to be an issue and a full review of HE provision would be reported to the Committee at its next meeting.

Following the introduction of a new regulatory regime through the Office for Students the Corporation was now required to approve an Access and Participation Plan and a Fee Document.

CH stated that the HE Review had been considered by the Senior Leadership Team at its last meeting and it raised some fundamental points about HE provision which would be shared with the Corporation.

KH noted that the OfS were challenging a number of plans submitted by HE institutions and the College must be prepared for the possibility that its plans would be challenged.

There being no further discussion.

Accordingly it was

RESOLVED

- **That the Corporation approve the Access and Participation Plan, the Target and Investment Plan and the Fee Document**

(iv) College Projections 2018-19

VD advised that reporting was now based on tracking student progress in year. The report set out the evidence base.

The projected 16-18 achievement rate was 82.4% which was slightly higher than the national rate and a 0.6% increase on 2017/18. The 19+ projected achievement rate was 83.9% which was 1.7% below the 2017/18 outturn.

It was further noted that the level 2 apprenticeship rate was projected to be above the national rate but below the 2017/18 outturn and that the level 3 apprenticeship rate was projected to exceed the national rate and the 2017/18 outturn.

The committee had noted that there were five check points throughout the year in respect of performance and they had requested early site of achievement rates for 18/19.

Item 4 – Report from the Chair of the Finance Committee

HS gave an overview of the items presented to the Corporation for information;

In respect of the management accounts the Committee had been pleased with the improvement in the quality and consistency of information and that there had been no significant variance in the forecast position. Cost control was also much improved and the Committee were pleased to see other members of the Finance team at the meeting.

It was noted that apprenticeship income had been reduced in the latest forecast.

Budget 2019/20

HS stated that MP had advised the Committee at its meeting that it had received financial information in the Recovery Plan and the draft budget that was inconsistent, and on that basis it did not feel able to make a recommendation to the Corporation. MP had committed to producing the budget paper in a manner that was consistent with the Recovery Plan and this was now before the Corporation. MP apologised and explained that the Recovery Plan had been tested through the Independent Business Review and therefore using this format was logical. He advised that the ESFA would not change the funding allocations until the Stourbridge transfer was complete and there would need to be an adjustment when that was done. The Corporation were advised that the budget would produce a £611k operating deficit.

ST asked how the deficit would be funded and MP advised that as this was an operating deficit the receipt from the transfer would not impact on that deficit but would make the cash position of the College much stronger.

It was noted that savings of £1.4 million of staffing costs were required for 19/20 and LJ advised that the Recovery Plan itemised where these savings would be made, and the redundancy process was expected to generate savings of £1.36 million. There was a further £1 million to save on non-pay costs with reductions in partnership payments and sub-contracting addressing this.

IM asked if these savings were net of redundancy costs and LJ advised that these were funded from a separate budget.

ST stated that there was a significant movement in the balance sheet and asked how this arose. MP stated that there would be a major change in the value of fixed assets arising from a write-down of the Stourbridge site and the ADC and the sale of Longlands.

MP further advised that it was expected that there would be a re-set of the banking covenants in the first quarter of the next academic year and which would mean that the outstanding loan amounts would not be categorised as repayable within one year.

ST further noted that the pension obligations were substantial and MP advised that the College was paying £1.247 million in deficit payments on top of the employer contributions to the LGPS. It was noted that KPMG had been commissioned to review the College's pension arrangements

and they would report to the Corporation early in the new academic year.

ST stated that the Corporation needed to be aware that the overall net asset position of the College was very challenging.

Accordingly it was

RESOLVED

- That the Corporation approve the budget for 2019/20 as presented by the Chief Finance Officer

There being no discussion on the following items

Accordingly it was

RESOLVED

Institute of Technology

- That the College enter into a Collaboration Agreement on the terms summarised in the supporting paper
- That the finalisation of the Collaboration Agreement be delegated to the Principal in accordance with the principles set out in the supporting paper.
- That Louise Jones be nominated as the Director to be appointed by the College to the IoT Board

Supply Chain Fees and Charges Policy

- That the Supply Chain Fees and Charges Policy for 2019 be approved

Partnerships (Sub-Contracting) 2019- 20 Recommendations

That the Corporation approve the following sub-contracting arrangements for 2019-20:

Sub-Contractor	AEB £'000	ALS £'000	AEB MCV £'000
Care First Limited	300	90	390
JBC Skills Training Ltd	700	0	700
Total	1,000	100	1,090

Subcontractor	2018/19	2019/20
	£ Contract	£ Contract
Abingdon & Witney College	40,000	51,450
Oxford Brookes	40,000	64,750
NTAR (Siemens)	47,500	108,000
Bombardier		108,000
	127,500	332,200

IM left the meeting prior to item 5

Item 5 – Report from the Chair of the Audit Committee

ST advised that there were no decisions required from the Corporation arising from the meeting.

Risk Management Update

ST advised that the Committee had spent some time reviewing the risk register which now included matters arising from the disaggregation project. It was noted that the register dealt with inherent and specific risks and these should be separated out. There were a number of risks that the College had not dealt with in a timely manner in the past but there had been significant progress with changes in senior management.

The Committee had considered the control assurances around fraud risk and also noted that there were positive trends on health and safety with only one RIDDOR notification, which itself was not a major incident.

Internal Audit Annual Report

ST drew the attention of the Corporation to page six of the report which summarised the significant control issues that the College had addressed over the last year.

SDH asked whether enough was being done to address matters with limited assurance and ST advised that this needed to be reviewed in the next cycle. However the Committee did have the benefit of seeing the reports on progress against follow up actions and this presented a poor picture in relation to the timely implementation of agreed remedial actions following internal audit reports. The Committee had made clear that they expected improvements in this during the next academic year.

External Audit Planning Memorandum

ST advised that there was nothing unusual in respect of the external audit plan. Attention was drawn to page four of the document which set out the risks to be reviewed. Whilst the focus would be on systemic issues that were typical of all Colleges it should be noted that there would also be a review of going concern and pension liabilities in relation to the College.

It was noted that there were some inaccuracies in relation to the governors present at the Committee meeting and LN agreed to address this.

Item 6 - Corporation and Committee Calendar 2019-20 and Workplan

LN introduced the report and advised that it would be necessary to move the date for the proposed Strategy Day. Following discussion it was agreed to move this to the first week in November. It was further agreed that KIT sessions would follow the Corporation meetings.

Accordingly it was

RESOLVED

- **That the Corporation and Committee Calendar and Workplan be approved subject to the amendments set out in the preamble to the minute**

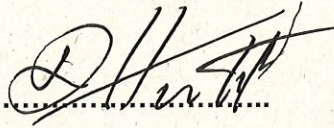
Item 7 – Governor Confidential Discussion and Any Other Business

This item is recorded in a confidential minute

Date of Next Meeting:

12 September 2019 8.00 am

Signed.....

A handwritten signature in black ink, appearing to be "D. Hunt", written over a dotted line.

Chair

Date.....

12-9-19.

