

**MINUTES OF A SPECIAL CORPORATION**  
**Meeting held remotely by 'Teams' on Tuesday 14 July 2020**  
**At 5.00 pm**

<b>Present</b>	Martin Clark (Chair), Harry Adam, Clive Barker, Carlton Brand, Amanda Burnside, Jon Downing, Venetia Summers, Katie Walker, Jack Wills.
<b>In Attendance</b>	<i>Iain Hatt (Deputy Principal Curriculum and Quality), Julian Wood (Deputy Principal Corporate Resources ), Heather Cross (Clerk to the Corporation)</i>

	<b>Minute</b>	<b>Action</b>
<b>2019-20 10/1</b>	<b>Apologies for absence</b>	
	Apologies were received from Mags Patten, Ruth Greening and Iain Hutchison.	
<b>2019-20 10/2</b>	<b>Declarations of interest</b>	
	None	
<b>2019-20 10/3</b>	<b>Chair's opening remarks and meeting protocols</b>	
	<p>The Chair thanked governors for attending this special meeting, which had been called principally to approve the budget for the 2020/21 year. He and the Chair of the Finance Working Group had had an opportunity to go through the budget yesterday with the Deputy Principal Corporate Resources in advance of today's meeting. The meeting would also include a brief discussion about the process to take forward college strategy and some governance matters.</p> <p>It was noted that the HE Protection Plan circulated to governors for approval at the last meeting had been reproduced in that meeting pack with page 3 missing. The full version had now been circulated to governors and it was <b>confirmed</b> that the document was <b>approved</b>, including this page.</p>	
<b>2019-20 10/4</b>	<b>Budget 2020/21 and 2021/22 and 2022/23 Financial Plan</b>	
	<p>The proposed budget 2020/21 and 2021/22 and 2022/23 Financial Plan had been circulated with the meeting agenda.</p> <p>The Deputy Principal Corporate Resources was invited to introduce the budget paper. He explained that the document was updated from that which was discussed in draft at the meeting at the end of June 2020 and took into account the mitigations agreed at the previous meeting. The situation remained that the budget had been significantly impacted by the loss of income as a result of Covid-19 effects, but the deficit for the coming year now stood at a lower level than that anticipated previously, now being at £875K before exceptional items. The mitigations also reduced the cash requirement for the college by the end of the year to £2m, with a low point of up to £4.4m in April 2021, but much uncertainty remained. The college's longer term financial strategy was recognised as being in three overlapping phases namely, short term cost reduction and cash protection; medium term cash generation and business growth; and longer term business sustainability.</p> <p>In terms of the 2020/21 budget the report identified both upside and downside possibilities, with what was felt to be a greater likelihood of significant downside</p>	

than upside. The budget did not as yet reflect any of the effects from the Chancellor's speech in the previous week, which included employer incentives for taking on apprentices and the bonus for retaining staff furloughed through the job retention scheme, which could be worth around £100K to the college. The figures did include a relatively prudent number of £150K from capital allocations, although there was no detail as yet concerning this. A slight additional dip on HE numbers had also been assumed. Overall, whilst the position presented was slightly improved from the previous draft budget, the overall position presented a fundamental challenge to the college's financial health as a result of the combined effect of Covid-19 and wider economic circumstances. The report did, however, project an improving position in future years, suggesting the college's base viability in 2021/22 and 2022/23.

It was reported that a recent meeting had taken place with Ministers, local MPs, senior ESFA staff and the FEC which had been constructive and at this meeting the view had been expressed that the autumn was the right time to apply for any additional support and a substantive update would then be provided at that time. The previously improving underlying financial position of the college had been acknowledged at the meeting, recognising that the current difficulties had arisen as a result of Covid-19. The Principal confirmed this position and underlined the positive support being given by all the Wiltshire MPs. In addition the FE Commissioner had spoken positively about the college, including its strong governance. The College Leadership Team felt that sufficient reassurance about potential access to financial support was available to allow them to recommend Governors approve the budget at this point.

Governors views were sought on the proposed budget. After considerable debate it was suggested that the budget be approved, but that this be conditional on financial support being provided by January 2021. It was noted that the October 2020 submission being requested of the college must reflect as much ambition for change and efficiency improvements as practicable flowing from the reviews identified on page 6 of the budget to improve the college's operating position and cashflow. These reviews would look at – professional services. Initial curriculum offer; campus contribution; curriculum combination pilot; remission; higher level programmes business plan; discretionary services and a rolling review of contracts and procurement.

It was further decided that contingency options would be developed for future presentation to governors should funding not be forthcoming, but the practical constraints in implementing any such options ahead of the outcome of the application for financial support to the ESFA were acknowledged. Making significant reductions in the provision of education and in staffing, for example, would further undermine income generation in the short term and thus add to the college's financial challenges. It was recognised that there was an uncomfortable tension between taking immediate severe action to address the risk of potential insolvency or, alternatively, making an application for funding support from the ESFA, the timeframe for which would further reduce the scope for action should the application prove unsuccessful. It was agreed that the assurances relayed by the College leadership team provided sufficient basis to proceed with an application for financial support in the Autumn and that contingency options should be drawn up, which could be implemented if possible, should support not be made available. It was further noted that the autumn was likely to see significant proposals for the reform of the sector and this would also need to be factored into any revised plans.

It was agreed that the material uncertainty of the situation should be recorded and that approval be given to the budget on the basis that it would need to be

	<p>revised in October at the time that a request to the Department for funding would need to be made, as indicated in the reported meeting with Ministers, MPs and Department representatives.</p> <p>The proposed budget was <b>approved</b>, recognising in doing so that the budget would be consistent with the required return to be made to the Education and Skills Funding Agency by 31 July 2020 and that the budget would need to be reviewed again in the early Autumn, based on the situation pertaining at that time, in readiness for the submission for exceptional funding. It was further <b>agreed</b> that the Chair should express the concern of the Board to the Skills Minister about the impact of Covid-19 and the current, difficult position, so that there could be no doubt about the college's understanding and the governors grasp of the financial situation. The submitted letter would be circulated to all governors.</p> <p>The Board's thanks were expressed to the Deputy Principal Corporate Resources and the Finance Director for the detailed budget which they had prepared for governors' consideration.</p>	<b>Chair</b>
<b>2019-20 10/5</b>	<b>Progress on the Strategic Plan</b>	
	<p>A presentation was made to the meeting setting out the progress made in the Strategic Plan against the five themes and the achievements against the college priorities for the 2019/20 year – the presentation would be circulated to governors subsequently. Governors noted that whilst the achievements made as reported currently were commendable, it was intended that a more substantive report would be provided to the September meeting of the Board.</p> <p>A proposal was made that the Plan should be extended for a further year, recognising the considerable uncertainties in the current crisis in developing forward a new plan and also recognising the White Paper anticipated in the Autumn which was expected to propose structural changes to the sector, also making a new planning process difficult at this time.</p> <p>Governors <b>agreed</b> that it was neither sensible nor prudent to commence a major strategic plan review at this time of great uncertainty and considerable flux, deciding that the current plan should operate for an additional year, as it was sufficiently robust to operate for this additional time. It was further agreed that should any significant changes emerge from the mitigating reviews to be carried out in the early Autumn term, that there should be no delay in their implementation.</p>	
<b>2019-20 10/6</b>	<b>Principal's update</b>	
	<p>The Principal's update was given through a powerpoint presentation which was to be subsequently circulated to governors. This highlighted the meeting with Ministers, MPs, ESFA and the FEC commented upon earlier in the meeting; the regular support meeting with the FEC team and recent funding announcements. The key focus of current activity was in preparation for September opening, albeit made more challenging by frequent governmental policy changes.</p>	

	<p>It was noted that the college was securing engineering equipment from the UTC which had recently closed in Salisbury. The capital projects showed some possible financial challenges and a further report would be made to governors on these once the details were established. The college Covid Task Group would be continuing to meet throughout the summer, given the fluidity of advice and guidance being received.</p> <p>The Chair commented that he had recently been able to walk round the Trowbridge campus and see all the changes implemented to introduce necessary distancing, albeit it had been strange to see the site relatively empty.</p>	
<b>2019-20 10/7</b>	<b>Finance Working Group Terms of reference</b>	
	<p>Minor amendments to these terms of reference were proposed to the meeting, in order to be consistent with the wording used for the Quality Working group. Changes made were as follows- the group would have a core membership of Chair, Principal and at least two other governors, one of whom ideally would have HR expertise. The Chair of the Working Group would be the link governor for finance issues. Meetings would alternate prior to each Board meeting with the Quality Working Group.</p> <p>The changes as proposed were <b>approved</b>.</p>	
<b>2019-20 10/8</b>	<b>Vice-Chair Role description and arrangements for appointment</b>	
	<p>A role description for the position of Vice-Chair had been circulated previously. The Chair introduced this item, noting the possibility of having two Vice-Chairs and also dividing up some of the duties of chairship. In making appointments it was intended to cover off representation at all key college events and the potential of two positions would create greater flexibility.</p> <p>The role description was <b>approved</b> with the addition of a bullet point on safeguarding and a clear stated commitment to diversity. It was agreed that such a commitment should be contained in all governance documents as they were updated. Governors also agreed with the appointment of up to two Vice-Chairs in due course.</p>	
<b>2019-20 10/7</b>	<b>Any other urgent business</b>	
	None	
<b>2019-20 10/8</b>	<b>Emerging Issues and Aspirations</b>	
	<p>An article published in TES.com from the FE Commissioner, highlighting the extent of colleges in financial difficulty and a notification from the Department for Education concerning a speech made by the Secretary of State for Education on 9 July concerning his vision for further education and his commitment to putting further and technical education at the heart of the government's post-16 education system were both noted.</p> <p>It was further noted that the college would be receiving additional funding for 16 to 18 students for holiday meals.</p>	

<b>2019-20 10/9</b>	<b>Date of Next Meeting</b>	
	The next scheduled meeting was on 27 August 2020 which was an exceptional meeting for governors to receive an update prior to college opening in the Autumn term.	
<b>2019-20 10/10</b>	<b>Closing remarks</b>	
	<p>The Principal thanked governors for their commitment and time given to the college over the past year.</p> <p>The Chair commented that a new student governor who was the appointed sabbatical student President would be joining the Board in September. The Clerk would be promoting the positions for staff governors at the start of the new year. A discussion would be scheduled in the Autumn term to discuss the operation of meetings for the remainder of the year.</p> <p>Governors joined with the Chair in thanking the Principal and Deputy Principals for their excellent leadership over the past year, in particular in relation to the recent crisis challenges.</p> <p>The Chair commented that work on 'outstanding governance' was being progressed and he anticipated that an interim report may be provided to an early meeting in the Autumn term.</p>	