

MINUTES of the CORPORATION
Held on Tuesday 18 December 2018 at 4.45 pm

Present	Martin Clark (Chair), Mark Lello, Carlton Brand, Amanda Burnside, Jon Downing, Carolyn Godfrey, Venetia Summers, Becca Thurston
In Attendance	<i>Adrian Ford, Deputy Principal Corporate Resources, Iain Hatt, Deputy Principal, Curriculum and Quality, Heather Cross, Clerk to the Corporation</i>

	Minute	Action
2018-9 4/1	Apologies for Absence	
	Apologies were received from Harry Adam, Layla Davies, Iain Hutchison, Debbie Sexton-Dyer and Jack Wills. The Clerk reported that Lawrence Roe had sent his apologies and also tendered his resignation from the Board by letter to the Chair. The meeting recorded its thanks to Lawrence for his service as a governor.	
2018-9 4/2	Declarations of Interest	
	Carlton Brand declared an interest in item 2.2 on the agenda, but it was noted that this item was withdrawn as it was no longer required to be discussed.	
2018-9 4/3	Chair's opening remarks	
	The Chair congratulated the Principal, her team and the students for providing a splendid visit for the Duchess of Cornwall on Friday 14 December. Governors requested that their thanks be passed on to everyone involved in the day. The meeting was notified about an additional report which would be presented later in the meeting relating to the end of year accounts.	
2018-9 4/4	Self- Assessment and Quality Improvement a. <u>Self-Assessment Report 2017-18</u> The draft self- assessment report for 2017-18 had been circulated previously. Iain Hatt presented some summary slides both to give the context of the SAR and to summarise key features, including how the SAR was produced. He referred to the Inspection Handbook and the judgements which Inspectors made in the two inspections which had taken place in the year. The proposed grades were highlighted and governors discussed them, against the progress section which had been included. There were two outstanding departments, one, hair and beauty, requiring improvement and the rest were good. For service departments it was considered that three were outstanding – MIS, Student Services and quality. The overall grades proposed were 'good' for overall effectiveness, teaching, learning and assessment and outcomes for students; outstanding for leadership and management and personal	

	<p>development, behaviour and welfare. It was considered that there was clear evidence to support the Ofsted grades and this was examined carefully.</p> <p>The grading of teaching, learning and assessment had been discussed at length. For student outcomes there was now a very clear trend of improvement across all levels and there had been a big step change in the pass rate as a result of the improvement in English and Maths results. Most results were now above national averages. Achievement gaps had been carefully considered. Governors asked a number of questions about how the college's assessments compared to inspection judgements and satisfied themselves on this, hearing that judgements made were sound and based on evidence. It was felt that the report was honest and identified where improvement were needed.</p> <p>After careful review the Board approved the Self-Assessment report for 2017-18 and the overall grades for performance proposed.</p> <p>b. <u>Quality Improvement Plan 2017-18</u></p> <p>The Quality Improvement Plan, derived from the Self-Assessment report findings, was discussed. It was considered that the targets needed careful review to ensure that they were ambitious enough.</p> <p>The Plan was approved and it was decided that the document would next be considered at the February meeting.</p>	
<p>2018-9 4/5</p>	<p>Principal's Report</p> <p>The Principal's report had been circulated previously and referred to a number of matters including Oxenwood and Braeside sales by the local authority; the need to reapply to a new Register of Apprenticeship Training Providers; the growth of Apprenticeships recruitment; feedback from the new Professional Development Framework; Lloyds Bank/overdraft arrangements and the year end accounts, to be discussed later in the meeting; and progress with the sale of the outreach centres.</p> <p>The Principal reported that there would be a discussion at the next meeting concerning further opportunities to create savings by providing an alternative pension route for business support staff. She commented that the budget for adult education had recently been received and this was in line with the previous year. Indications from the centre about funding suggested there would be no additional budgets in the foreseeable future.</p> <p>It was noted that after further analysis it was clear that the delivery of Council services for outdoor education (currently through Oxenwood and Braeside) was not a strategic fit for the college to take over and was too high risk. The Board agreed with this assessment.</p> <p>The Senior team would make a presentation to the Board in January about the new Ofsted inspection regime which was due to be put out for consultation then.</p> <p>Numbers were looking strong in business and apprenticeships. Professional development learning was working well for staff, which was pleasing.</p> <p>A verbal update was given about the sale of the outreach centres, with an unconditional offer having been received for Devizes but a conditional offer for Warminster which was still the subject of negotiation.</p>	

	<p>Discussion also took place concerning the progress to find a new catering contractor, the plans for robotic milking installation at Lackham and the strong interest from the supplier to provide a value-adding solution and the positive developments of the management of the Colleges Partnership.</p> <p>The Principal was thanked for her report.</p>	
2018-9 4/6	Key Performance Indicator Targets/ balanced Scorecard	
	<p>The latest Key Performance Indicators/ balanced scorecard had been circulated and were reviewed. Work was being planned to review the indicators further to ensure their appropriateness for monitoring purposes.</p> <p>Governors asked questions about whether average class sizes would move up from 13, but it was not expected that this would move at this point in the year. HE enrolment was shown as red as this was not going to improve now. This was an area which was being given careful attention in planning numbers for next year.</p>	
2018-9 4/3	College Accounts 2017-18 and related reports	
	<p><u>Internal Audit Annual report</u> The Internal Audit Annual report from BDO which had been circulated previously was considered and received – there were no issues. It was noted that the Audit Committee had considered the report at their recent meeting.</p> <p><u>Regularity Self-Assessment questionnaire</u> The Regularity Self-Assessment questionnaire which had been prepared by the college in readiness for the financial statements auditor’s review of regularity had been circulated. The document was reviewed and it was agreed that the Chair be asked to sign it for submission to the Education and Skills Funding Agency.</p> <p><u>Financial Statements Auditors Management Letter</u> The Financial Statements Auditors Management letter had been circulated. The report was to be corrected to show that the college did have an anti-fraud assessment. The audit was clean and there were no recommendations. Governors welcomed receipt of this positive audit. It was noted that the report could not be finally signed until the college’s loan position was resolved, which would be discussed later in the meeting.</p> <p><u>Letter of Representation</u> The letter of representation to the auditors proposed for signature had been circulated previously as an appendix to the Management Letter. This was considered and agreed for signature.</p> <p><u>Annual Audit Committee report to the Corporation</u> The Chair of the Audit Committee presented the circulated report. He spoke about the work which had commenced in the year to create an assurance framework and once completed this would provide comfort that all aspects were being considered for audit coverage. It was noted that BDO as internal auditors would not be given all audits in the forthcoming year as thought was to be given to using other more specialist firms where they could offer value for money.</p> <p>A recommendation was made to the meeting for PWC to be reappointed as financial statements auditors for the 2018/19 year audit. This was approved</p>	

subject to the firm honouring their commitment given at original appointment that they would present on adding value to the whole Board. The Chair of the Audit Committee and the Deputy Principal Corporate Resources were requested to follow this up.

Members report and Financial Statements

The report for 2017-18 was considered.

Loan Facility Agreement

An additional report was tabled giving additional information concerning the approval of the Members report and Financial Statements.

The Deputy Principal Corporate Resources reported that currently the college would breach one of its covenants on the loan held with Lloyds Bank. However, should a new loan facility be put into place before the Accounts were required to be signed, then the breach would not occur. The Deputy Principal then highlighted the key components of the proposed loan.

The meeting discussed the proposed loan and concluded that there was nothing evident in proceeding with the revised loan arrangements which would cause a risk to the college. Further, it was determined that making the proposed changes would be in the College's best interests.

After careful discussion it was **resolved** that the existing loan facilities provided to the College by Lloyds Bank plc (the Bank) be amended in the manner as proposed by the Bank in December 2018 into the form of a new facility agreement (being the "**New Facility Agreement**") for borrowing comprising a c£6.7m loan comprising a facility A of c£1,628,166.05, facility B of c£625,000 and facility C of c£4,452,054.72. It was noted that the commercial terms (including interest margin, repayment instalments and maturity dates) were materially the same as the existing loan facility the College has with the Bank. It was also noted that the loan would continue to be secured over the Lackham Campus but that the Bank would also take security over the Chippenham campus (the **Chippenham Security**) but with provision to release the Lackham campus should the valuation of the Chippenham campus be at least £20,000,000 and should it be less than £20,000,000, the Bank would retain both securities but review the situation after a few years.

It was further **resolved** that Adrian Ford, Amanda Burnside, the Chair of the Audit Committee and the overall Board Chair (the signatories – any one or more to sign) be authorised to make the necessary arrangements with the Bank and to agree such amendments, variations and alterations to the New Facility Agreement and the Chippenham Security as they in their absolute discretion saw fit including to any commercial terms currently set out within the New Facility Agreement and the signatories be authorised to sign or witness the affixation of the Corporation's seal to the New Facility Agreement and the Chippenham Security once they were fully satisfied with the detailed terms and make arrangements to deliver them to the Bank.

Resolved further in respect of the operation of the loan facilities provided pursuant to the terms of the New Facility Agreement that

- a. Any one of Adrian Ford and Chris Moore be and are hereby authorised on behalf of the College to give telephone instructions to the Bank for the purpose of i) selecting interest bases or ii) selecting certain interest periods that are to apply from time to time to an amount outstanding

	<p>under the Facility</p> <p>b. Any one of Adrian Ford and Chris Moore be and are hereby authorised on behalf of the College</p> <p>i. To give all written instructions to the Bank in respect of the drawdown and continuance of the loan facilities under the New Facility Agreement and</p> <p>ii. To give written confirmation of all instructions that is not given to the bank in writing.</p> <p>iii. To give a borrower's certificate to the Bank</p> <p>iv. To sign any notices required to be given pursuant to the Chippenham Security</p> <p>c. The foregoing resolutions do not in any way prejudice or affect the instructions to the Bank contained in the resolutions of the Governors.</p> <p>It was resolved that provided the terms of the New Facility Agreement once fully reviewed were confirmed as acceptable that the Chair be authorised to sign the accounts.</p>	
2018/9 4/7	Minutes of the last meeting held 22 November 2018	
	The minutes of the last meeting held on 22 November 2018 which had been circulated previously were approved as a true record.	
2018/9 4/8	Membership – recommendations for appointment	
	<p>Venetia Summers was at the end of her first term as a staff governor and was willing to serve again. The meeting considered her reappointment for a second term and it was agreed that Venetia Summers be reappointed for a second four year term of office until December 2022.</p> <p>The cv and letter of interest from Mags Patten had been circulated. The Chair and the Principal had met her and considered that she had much to offer as a governor, with a strong arts background, communications, professional development and governance experience. It was also considered that in due time she might take a role on the Board in considering higher education. After consideration it was agreed that Mags Patten be invited to be appointed to the Board with effect from January 2019 for a first term of office of four years to January 2023.</p>	
2018/9 4/9	College visits/events attended	
	The Chair reported that he and the Principal had recently met with Andrew Murrison MP. He was planning to hold a series of one to ones with governors and recently he had met with Jon Downing.	
2018/9 4/10	Audit Committee membership – requirement for new members	
	It was noted that the Audit Committee needed at least one new member to assist achieving a regular quorum. Governors were encouraged to join the committee. Becca Thurston indicated that she would be prepared to consider joining the committee and she would discuss it further with the committee chair.	
2018/9 4/11	Outstanding governance and broader opportunities for training	
	It was reported that Harry Adam had offered to do some thinking about outstanding governance and the Chair had asked him to do this. A number of ideas for discussion would be brought to the February meeting.	

	The Clerk reported that there was an offer from the Association of Colleges for governors to participate in piloting some new governance training. The region was planning to hold a governance summit on February 27 th , to which all governors were invited.	
2018/9 4/12	Emerging issues and aspirations <u>Annual Report of the FE Commissioner</u> The annual report of the FE Commissioner had been circulated previously. Governors noted the assessment of the Commissioner that having a costed curriculum plan, clear and accurate management information, a clear focus on teaching, learning and assessment, and a clear mission providing context for all board decisions were all very important, along with realism in financial forecasting and also having the expertise to do this together with the strength and expertise to challenge robustly.	
2018/9 4/13	Any Other Business	
	The Principal thanked all governors for their contribution and wished them all a very happy Christmas. Likewise the Chair on behalf of all governors thanked the Senior Leadership team for all their hard work and wished them a relaxing and enjoyable break.	
2018/9 4/14	Date of next meeting The next meeting was noted as Thursday 31 January 2019 at the Salisbury campus.	