

BASINGSTOKE COLLEGE OF TECHNOLOGY CORPORATION

MINUTES OF A MEETING OF THE CORPORATION HELD ON WEDNESDAY 4 JULY 2018

Membership:	1.	*	Mike Howe	External Member	Chair
	2.		George Batho	External Member	
	3.	*	Anthony Bravo	Principal	
	4.	*	Charles Cardiff	External Member	
	5.	*	Terry Clarke	Staff Member	
	6.	*	Steve Fussey	External Member	Vice Chair
	7.	*	Lynne George	External Member	
	8.		Julie Hall	External Member	
	9.		Daisy Hutchings	Student Member	
	10.		Dave Murray	External Member	
	11.		Tim Sayer	External Member	
	12.		Martin Slatford	External Member	
	13.	*	Mike Wilkinson	External Member	
	14.	*	Pamela Woolgrove	External Member	
	15.		Vacancy (DB)	External Member	
	16.		Vacancy (KJ)	External Member	
	17.		Vacancy (NK)	External Member	
	18.		Vacancy (GL)	External Member	
	19.		Vacancy (GM)	External Member	
	20.		Vacancy (MM)	Staff Member	
Quorum:					
		8 required	8 present at start	Meeting quorate	
In Attendance:					
	*	Simon Burrell	Clerk to the Corporation (Clerk)		
	*	Lorraine Heath	Deputy Principal (DPB)		
	*	Mark Hillman	Deputy Principal (DPCPI)		
	*	David Moir	Deputy Principal (DPFR)		
Present at meeting:					
	*				

PART 1 – NON-CONFIDENTIAL MINUTES

(4.58pm)		ACTION
946.	<p>APOLOGIES FOR ABSENCE</p> <p>George Batho, Julie Hall, Daisy Hutchings, Dave Murray, Tim Sayer, Martin Slatford.</p>	
947.	<p>DECLARATION OF INTERESTS</p> <p>Mike Howe declared an interest in Agenda Item 3.1 (Election of Chair) and 4.2 (Re-appointment of External Members). Steve Fussey declared an interest in Agenda Item 3.2 (Election of Vice Chair). The Principal, the Staff Member and the Deputy Principals declared an interest in Agenda Item 9.1 (Budget 2018/19: Pay award).</p>	

948.	<p><i>[The Clerk took the Chair for the following item]</i></p> <p>ELECTION OF CHAIR OF THE CORPORATION</p> <p>The Clerk advised that Lynne George had tendered her resignation as Chair of the Corporation. Nominations for Chair had been sought. One nomination was received.</p> <p>It was RESOLVED that Mike Howe be elected Chair of the Corporation for a two-year term of office commencing 4 July 2018. (Proposed by Lynne George, Seconded by Pamela Woolgrove)</p> <p>The Clerk advised further that as Mike Howe had been elected Chair of the Corporation, there was a vacancy for Vice Chair of the Corporation. Nominations for Vice Chair had been sought. One nomination was received.</p> <p>It was RESOLVED that Steve Fussey be elected Vice Chair of the Corporation for a two-year term of office commencing 4 July 2018. (Proposed by Mike Howe, Seconded by Lynne George)</p> <p><i>[Mike Howe (Chair) took the Chair]</i></p> <p>The Chair of the Corporation thanked Members for their confidence in electing him as Chair of the Corporation. He also thanked Lynne George for her invaluable contribution to the College and to the Corporation during her time as Chair.</p>	
949.	<p>MEMBERSHIP MATTERS</p> <p>1. Resignation of Members</p> <p>Since the previous meeting Neale Killick and Keith Jackman had tendered their resignations as Members of the Corporation.</p> <p>2. Re-appointment of Members</p> <p>It was noted that George Batho and Mike Howe's terms of office were due to expire on 31 July 2018. The Search Ctte had considered each Member and had recommended that both be re-appointed for a further term of office.</p> <p>3. Staff Member to the Corporation</p> <p>The Clerk advised that there had been two nominations for Staff Member and that an election had taken place. He advised further that Greg Devereux-Cooke had been elected by the staff.</p> <p>It was RESOLVED that:</p> <ol style="list-style-type: none"> 1. The resignations of Neale Killick and Keith Jackman be noted. 2. George Batho and Mike Howe be re-appointed for a further term of office commencing 1 August 2018, 3. Greg Devereux-Cooke be appointed as a Staff Member for a four-year term of office commencing 1 August 2018. <p>(Proposed by Charles Cardiff, Seconded by Pamela Woolgrove)</p>	
950.	<p>MINUTES OF THE PREVIOUS MEETING</p> <p>The Minutes of the Meeting held on 28 March 2018 were confirmed as a correct record and were signed by the Chair.</p>	
951.	<p>MATTERS ARISING FROM THE MINUTES</p> <p>There were no Matters Arising discussed that had not been considered elsewhere at the meeting.</p>	

COMMITTEES OF THE CORPORATION

952.	COMMITTEES OF THE CORPORATION	
952.1	Audit Committee The unconfirmed Minutes of the meeting held on 13 June 2018 were received and noted. 1. Internal Audit Strategy (Minute 611.3) The Chair of the Audit Ctte highlighted the proposed areas for review during 2018/19 (as listed in the Minutes of the Audit Ctte). It was RESOLVED that the Internal Audit Plan 2018/19, based on 35 days, be agreed. (Proposed by Charles Cardiff, Seconded by Pamela Woolgrove)	
952.2	Finance & Resources Committee The unconfirmed Minutes of the meetings held on 17 May 2018 and 19 June 2018 were received and noted. There were no Matters Arising discussed that had not been covered elsewhere at the meeting.	
952.3	Quality Committee The unconfirmed Minutes of the meeting held on 11 June 2018 were received and noted. 1. Quality Strategy/Position Statement 2018/19 (Minute 547) The Chair of the Ctte advised that the Quality Ctte had reviewed the Quality Strategy/Position Statement in detail and had recommended it to the Corporation. It was RESOLVED that the Quality Strategy/Position Statement 2018/19 be agreed. (Proposed by Terry Clarke, Seconded by Steve Fussey) 2. Committee Terms of Reference/Committee Name (Minute 552) The Chair of the Ctte advised that the terms of reference for the Ctte needed to be updated to include reference to the Ctte's responsibility for the oversight of the quality of higher education provision and proposed also that the Ctte's name be amended to 'Curriculum & Quality Ctte' to reflect its wider remit. It was RESOLVED that: 1. The terms of reference be amended to include a statement that reflected the Quality Ctte's responsibility for the oversight of the quality of higher education provision, 2. The name of the Ctte be amended to read 'Curriculum & Quality Ctte'. (Proposed by Terry Clarke, Seconded by Steve Fussey)	
952.4	Search Committee The unconfirmed Minutes of the meeting held on 13 June 2018 were received and noted. 1. Prospective New Members (Minute 254.2) The Chair of the Ctte advised that several potential new Members had been identified and would be considered through the normal processes in due course.	

ITEMS FOR APPROVAL

		ACTION																					
953.	<p>FINANCE MATTERS</p> <p>1. Budget 2018/19</p> <p>A written report was received and considered. The DPFR took the Corporation through his report. He advised that the draft budget had been reviewed in detail by the F&R Committee at its meeting on 19 June 2018. He advised further that two new sources of funding had been secured during May/June 2018 that had enabled the college to prepare a more positive budget than had been expected.</p> <p>The DPFR advised that the proposed budget (before FRS 102 pension adjustments were made) was based on a deficit of -£74k, and included provision for a general pay award of 1% to all staff. After pensions adjustments it became a deficit of -£690k.</p> <p>The DPFR advised further that the financial summary showed the financial challenge the college faced, and how quickly the financial position could change over the course of a year. Income was £1.73m lower than budgeted a year ago, and costs of £1.3m had been taken out of the budget over the course of the year. The 2018/19 budget included staff vacancy and increment savings of £191k which would need to be achieved during the year to achieve the proposed budget position. The 2018/19 figures include £277k of lagged income that should disappear in 2019/20 as learner numbers stabilise. This would mean that the financial position for 2019/20 would deteriorate further, but he felt that this would be the final year of decline. The 2018/19 budget would achieve financial KPIs of:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Measure</th> <th style="text-align: center;">2018/19</th> <th style="text-align: center;">Assessment</th> </tr> </thead> <tbody> <tr> <td>Cash generation (before capex)</td> <td style="text-align: center;">£1.099k</td> <td style="text-align: center;">Good</td> </tr> <tr> <td>Percentage of cash used for capital</td> <td style="text-align: center;">41%</td> <td style="text-align: center;">Outstanding</td> </tr> <tr> <td>ESFA financial health score</td> <td style="text-align: center;">270</td> <td style="text-align: center;">Outstanding</td> </tr> <tr> <td>Reported surplus/(deficit) as a proportion of income</td> <td style="text-align: center;">(4.8%)</td> <td style="text-align: center;">Critical</td> </tr> <tr> <td>Cash days in hand (July 2019)</td> <td style="text-align: center;">159</td> <td style="text-align: center;">Outstanding</td> </tr> <tr> <td>Current ratio (July 2019)</td> <td style="text-align: center;">4.2</td> <td style="text-align: center;">Outstanding</td> </tr> </tbody> </table> <p>The DPFR advised that, overall, there was a good level of cash reserves, a strong balance sheet, and no concerns regarding solvency.</p> <p>With regards to capital expenditure, the DPFR advised that the Director of IT had, in 2017, produced a ten-year IT investment plan that was costed at £250k per annum. This enabled the college to plan its IT requirements and ensure funding was available for them. In addition, due to declining learner numbers and the pressure on finances, he advised that the college had set a lower than usual capital budget for non-IT infrastructure related expenditure that would fund the equipment and projects identified through the college's business planning process.</p> <p>With regards to the Work-based University Centre (WBUC) the DPFR advised that it was anticipated that the LEP would not release any capital funding for the proposed WBUC in the near future. He advised further that the SMT had considered the need to undertake some initial works to A Block to create a HE Centre and space for Aspiral, and that appropriate plans would need to be drawn-up and works undertaken during the summer. He suggested that the cost of such works could be in the range of £100k-£200k and proposed that the Chair and Vice Chair of the Corporation be delegated authority to agree plans within that financial range.</p> <p>The DPFR advised further that the college currently had a further bid in with the LEP for £300k of investment in IT and technology. If approved, this money would need to be spent before 31 January 2019. He advised further that this item had not been</p>	Measure	2018/19	Assessment	Cash generation (before capex)	£1.099k	Good	Percentage of cash used for capital	41%	Outstanding	ESFA financial health score	270	Outstanding	Reported surplus/(deficit) as a proportion of income	(4.8%)	Critical	Cash days in hand (July 2019)	159	Outstanding	Current ratio (July 2019)	4.2	Outstanding	
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<p>953. (cont)</p>	<p>included in the budget, but if the LEP bid was successful the college would receive £300k and would need to spend £300k from reserves, in addition to the capital spend included in the budget above.</p> <p>The Corporation considered the budget 2018/19 proposals.</p> <p>It was RESOLVED that:</p> <ol style="list-style-type: none"> 1. The budget for 2018/19, based on a deficit before FRS102 pension adjustments of -£74k and a deficit after FRS102 pension adjustments of -£690k be agreed, 2. A capital budget of £450k, and an additional £300k if a LEP funded project was approved be agreed, 3. £100k-£200k for refurbishment of A Block be agreed and that delegated authority be given to the Chair and to the Vice Chair of the Corporation to approve plans, 4. A general pay award to all staff, including the Senior Post Holders, of 1% with effect from 1 August 2018 be agreed, 5. The Financial Strategy aims be approved: <ul style="list-style-type: none"> • To ensure that normal operations at least maintain the college's cash position, and ideally increase cash reserves to provide funds for future investment • To ensure the college adequately funds the delivery of its mission and strategic aims • To ensure a balanced financial position by achieving an ESFA financial health score of 200+ <p>(Proposed by Charles Cardiff, Seconded by Pamela Woolgrove)</p> <p>2. Financial Forecast 2018/19-2020/21</p> <p>A written report was received and considered. The DPFR took the Corporation through the report. He advised that the financial forecast would normally be considered first by the F&R Ctte but the forecast had not been completed in time for that meeting. He also advised that the financial forecast was in the format required by the EFSA.</p> <p>The DPFR advised that in developing the financial forecast there was not much opportunity for income growth. The following key income assumptions used in the financial forecasts included:</p> <ul style="list-style-type: none"> • A 20% reduction in adult funding in 2019/20 as a consequence of the proposed devolution of the adult education budget. • A significant reduction in core apprenticeship income in 2018/19 due to a reduction in subcontracted work income followed by a 5% growth in 2019/20 and 2020/21. • 16-19 funding: new starts to increase by 5% in 2018-19 as a reflection of the demographic trend. In 2019-20 and 2020-21 the demographics showed a decrease of 4% then an increase of 1%; these trends had been used in the student number modelling. Overall funded numbers in 2018/19 would decline slightly due to the progression effect of low intakes in the previous two years, but after that the numbers stabilised. • High needs and 14-16 income would be maintained. • It was anticipated that adult skills funding would be fully earned (effect of not achieving at least 97% of the allocation would be an increase in the deficit to -£76k) and maintained at the current value for 2018/19. It was also assumed that the existing level of subcontract income would be earned in 2018/19. <p>Key cost assumptions included in the forecast were:</p> <ul style="list-style-type: none"> • Allowance had been made for a 1% pay award. • The teaching establishment would be reduced by 3 FTE's in 2019/20 and the non-teaching establishment would be reduced by 6 FTE's in 2019/20. 	
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<p>953. (cont)</p>	<ul style="list-style-type: none"> • It was anticipated that an increase in LGPS costs would be offset by the introduction of a defined contribution pension scheme for new non-teaching staff. • The 2018/19 budget assumed staff savings of £190k would be achieved during the year from vacancies. • Non-pay expenditure was assumed to increase by a net inflation rate of 2% in 2019 and 2020. <p>The DPFR stressed that although the forecast deficit in 2020/21 was -c£1m the college's financial health continued to be 'outstanding' (but that this would then be close to the borderline with 'good') and that the balance sheet remained strong.</p> <p style="text-align: center;">It was RESOLVED that the financial forecast 2018/19-2020/21 be agreed. (Proposed by Lynne George, Seconded by Pamela Woolgrove)</p>	
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ITEMS FOR INFORMATION

<p>954.</p>	<p>STRATEGIC PLAN 2016-20: KPIs</p> <p>A written report was received for information and noted. The DPFR took Members through the report. He advised that student attendance had been consistently lower throughout the year. The DPCPI advised that all options were pursued in chasing absentee students. Retention for 16-18 year olds was better than previous years but below target, and that 19+ adult retention was lower but above target.</p> <p>With regards to lesson observations (LOs) the DPFR advised that there had been a radical overhaul of the process, and that staff were now not given grades. However, grades were recorded for management reporting purposes.</p> <p>The DPFR advised further that learner numbers had been variable. Apprenticeship starts had been poor, full time learner numbers had declined but part time numbers had improved – this was presumed to be due to learners entering employment and continuing in a part time capacity. Progression of learners to another higher-level course, university or employment was 'outstanding' at 98%.</p>	
<p>955.</p>	<p>PRINCIPAL'S REPORT</p> <p>1. Letter from the FE Commissioner dated 15 June 2018</p> <p>The Principal highlighted a letter from the FE Commissioner outlining the recruitment of governors to the National Leaders of Governance programme where existing governors of colleges graded 'good' or 'outstanding' work with those colleges where governance needs to be improved.</p> <p>2. Century 21 Machine Learning Using AI</p> <p>The Principal outlined an opportunity whereby the college would have 'free' use of the above software in exchange for the college helping to develop and improve it.</p>	

<p>955. (cont)</p>	<p>3. Inspirational teacher of the Year Award</p> <p>The Principal advised that Lyndsay Spillaine had won an award for the most inspirational specialist provision teacher in the Basingstoke area.</p> <p>4. Apprenticeship Delivery</p> <p>The college had been appointed as approved apprenticeship delivery supplier for Hampshire County Council, Lincoln Council and Oxford City Council. The DPB was also due to make a final presentation to Babcock International to undertake their higher apprenticeship training.</p>	
<p>956.</p>	<p>ANY OTHER BUSINESS</p> <p>There were no items of Any Other Business discussed.</p>	
<p>957.</p>	<p>DATES OF FUTURE MEETINGS <i>[Meetings commence at 4.30pm unless stated]</i></p> <p>Wed 10 October 2018 Tue 6 November 2018 Development Day (commencing at 3.00pm) Wed 12 December 2018</p> <p>The Meeting Schedule 2018/19 was received and noted.</p>	

<p>Confirmed as a Correct record:</p>		<p>10 Oct 2018</p>
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