

**Minutes of the Corporation meeting
Wednesday 7 December 2022
Room BB010 MMC Building, Cauldwell campus
4.00pm**

Present:

Allan Schofield (Chair)	Ian Pryce CBE, Principal & CEO
Dennis Buckley	Alasdair Simmons
Sharon De Leonardis	Luisa Vecchio
Richard Dimpleby	Amanda Wagstaff (part via Teams)
Luke Ferebee (Teams)	Cliff Wragg
Mark Lawson	
Emily Parnwell	

In attendance

- Matt Atkinson (FE Associates) (part)
- Caroline Biddle Executive Director of HR (part)
- Pat Jones, (Deputy CEO-Finance)
- Em Lowe (Deputy CEO-Quality)
- Rachel Nicol (Group Director of Governance)
- Ashley Spiers (EDI Manager)

C/73/22 Apologies for absence & Declarations of interest

Apologies

Apologies for absence were received from Vinod Tailor and Emelia Mustoe

Declarations of interest

There were no declarations of interest relevant to matters on the agenda. Relevant members of staff impacted by items on remuneration and succession planning will leave the meeting at the appropriate time.

C/74/22 Matters arising

There were no matters arising not covered elsewhere on the agenda.

It was confirmed that papers had been read by the Corporation and authors would only highlight key changes before questions.

The EDI update will be taken early on the agenda.



The meeting was noted to be the last meeting for Mark Lawson. The Corporation formally noted thanks for Mark's significant contribution to the College over the past 7 years.

C/75/22 Dashboard and progress against strategic aims

The CEO presented the dashboard and progress against strategic aims.

Staff sickness was noted to have returned to pre Covid levels. Challenges in recruiting in HE and Adult were noted to be similar to those encountered across the sector.

The Principal for Northamptonshire is now in post.

The Corporation was pleased to note that several awards had been received by the Marketing Department.

Progress on the Tower Block refurbishment was outlined. The impact on students and the learning experience is being closely monitored.

The CEO outlined the potential impact of the Office for National Statistics ("ONS") announcement regarding the re classification of colleges and their subsidiaries as public sector. The College will monitor the information and guidance as it emerges both in terms of potential impact on the financial position and political context.

The update was noted.

C/76/22 Strategic opportunities update

The College is continuing to explore the potential merger with Central Bedfordshire College ("CBC") and the Corporation has a meeting to consider the due diligence reports on Thursday 8 December by zoom.

Work on the estate and the funding position on the Shuttleworth project was outlined. Projects where match funding is required will be reviewed carefully as not all grants can be taken on that basis due to resource constraints.

The security of the Cauldwell campus in particular is under review and opportunities are being explored to reduce the permeability of the site and increase overall security levels. An external report had been commissioned and recommendations are being reviewed by Executive and taken forward as appropriate.

The update was noted.



C/76/22 Resources Committee rag rated report 14.11.22

The Chair of the Resources Committee presented the rag rated report.

The only area where further assurance is required by the Committee relates to the College Information Report due to the amount of variables. These were highlighted as being, in particular, pension adjustments and performance against the Adult Education Budget.

The report was noted.

C/77/22 Medium Term Financial Strategy update

The Deputy CEO-Finance presented an early report on the planned strategy given recent changes in the economy and the sector. The methodology behind the strategy was set out for newer members of the Board including how learner numbers are built, staffing requirements and percentage of income, funding settlement and various pressures, including utilities costs.

It was explained that the Executive are discussing potential efficiencies around staffing and premises with a number of options being considered in the context of the impact on learners.

Questions centred around:

- *What options are there for savings in utilities and how is this being managed?* Contracts are being looked at with the market being reviewed as well as potential collaboration with local partners. Conversations are taking place with the DfE and ESFA. In addition, work is being done to embed a culture of sustainability and changing practices of students and staff.
- *Will options for the estates be impacted by the ONS decision?* At this time the guidance on reclassification has not suggested any loss of freedoms in decision making but this will be monitored, particularly in terms of lease and sale options.
- *What action is being taken to improve HE and Adult Education Budget (“AEB”) numbers and mitigate any claw back risk?* A potential subcontractor has been identified and approved by the Corporation in the summer.
- *Does the budgeting methodology that has served us well over time remain fit for purpose in the current climate?* Budgets have always been built on the

assumption of no deficit. It was agreed that this assumption and associated issues with the methodology will be taken forward at the Resources Committee for subsequent presentation to the Board.

The report was noted.

C/78/22 TBCG Financial Statements 2021-2022

The Deputy Director Finance-Control attended and explained that the financial statements are presented in a prescribed format.

The statements had been reviewed by both the Resources and Audit Committee.

The consolidated surplus and breakdown for the College and subsidiaries was outlined. The cash position and its management were highlighted with assurance given that no banking covenants had been breached in the year.

The report highlighted the College's outstanding financial health based on ESFA benchmarks, the relative position in comparison to other local colleges and work on the College financial dashboard and returns.

No management actions had been highlighted by the auditors with a minor recommendation to review the Group's VAT arrangements.

The data now required to be disclosed in the Statements on greenhouse gas emissions has provided a useful basis for future comparisons.

Board questions included:

- *What is the guidance around the pension liability?* It was confirmed that the actuarial assessment on pensions resulted in a net asset position but the auditors won't allow it to be expressed in those terms so it shows as a nil liability. It was confirmed that the note in the accounts was made based on national guidance and all colleges are in the same position.
- *The expected rate of return for all assets is 5% which looks odd?* These are set by the Local Government Pension Scheme and various actuaries.
- *There are lots of statements around the gender pay gap but what is it really telling us?* The position for the College is noted to be good in relation to the sector generally. More detailed work had been carried out in the current year on other EDI characteristics in relation to pay and a further report will be presented to the EDI and Resources committees in due course.

- *What does the large jump in reserves relate to?* It was explained that this relates to the discount rate and that as a result of higher returns on investment less assets are required to generate the same return.
- *What are the future strategic plans for the subsidiaries?* These are being reviewed and the Board will be updated in due course.

The Corporation approved the Group Financial Statements for 2021-2022 and authorised the Chair to sign the statements.

The Corporation approved the Letter of representation and authorised the Chair to sign it.

The Financial Statements Management letter, the Regularity self-assessment and Statement of Corporate Governance and Internal control were approved on the recommendation of the Audit Committee.

The Corporation noted the ESFA financial health status.

The Corporation noted the Financial College dashboard.

C/79/22 College Information Report (October)

The Deputy CEO-Finance presented the report which was noted as read.

Highlights included the financial settlement position, robustness of 16-18 numbers, actions being taken to address the gap on the AEB, assurances on bank covenants and work to manage utilities costs.

The report was noted

C/80/22 Pay award

The Principal updated the Corporation on the pay award made with most staff receiving a 3% consolidated award.

It was also confirmed that all staff are above the national living wage.

The staff governor in attendance provided anecdotal evidence on the understanding of staff of the current challenges. Data from the sector suggested a range of awards with the colleges making higher awards being those who had not made an award for



some years. It was indicated that future discussion may centre around blanket uplifts rather than percentages.

Significant work had been carried out by the HR team on job families and job grades.

The update was noted

C/81/22 QSA Committee rag rated report from 24.11.22

Richard Dimpleby, Chair of QSA presented the report and highlighted in particular the discussion around the SAR.

The rag rated report was noted

C/82/22 Quality of Education update

The Deputy CEO-Quality presented the report and highlighted the work carried out on quality reviews, enhancing student voice and briefings for Heads on the inspection framework.

Governors sought more information on the need for greater engagement in the oversight of learning and teaching - including the potential for learning walks - and how this might increase the impact of governance on the delivery of student outcomes

It is anticipated that under the new campus management structure the Principals and Vice Principals will arrange tours of relevant campuses for governors and co-opted committee members.

The report was noted.

C/83/22 TBCG Self-Assessment Report (“SAR”) and Quality Improvement Plan (“QIP”)

The Deputy CEO-Quality presented the report.

The report had been reviewed in detail at the joint meeting of the Board and QSA Committee on 24 November 2022. Amendments had been made based on the feedback from that meeting including better articulation of actions to generate improvement.

The Executive had discussed the appropriateness of the inclusion of grades at their meeting and the problems resulting from out of date national benchmarking and the proportionality of English and maths results (high grades and overall achievement)

Discussions at the meeting centred around the potential impact of including and omitting grades, the confidence required in articulating grades and explaining finely balanced judgements, and the need for clear internal messaging on where we see ourselves and what steps we are taking. Performance was further discussed in the context of other colleges and relative position on attendance and achievement.

On balance it was agreed to put in the judgement in the context of an overall grade but to explain the assumptions and caveats behind it.

The Board was updated that next year each College will prepare their own SAR and QIP with Quality reviewing the reports for consistency. Interim reviews will be carried out by Quality to monitor the process.

The Corporation approved TBCG SAR and QIP

C/84/22 Audit committee RAG report 17.11.22

Luke Ferebee, Chair of the Audit Committee reported on the Audit Committee's RAG ratings following their November meeting.

The internal audit reports were noted to provide positive assurance.

A paper had been forwarded to the Audit Committee from the QSA Committee on the Office for Students, the risk of fraud and compliance issues regarding Higher Education provision. The Committee will look at this in more detail in relation to their terms of reference at a future meeting.

Further explanations were given by the Deputy CEO-Finance on the nature of the Regularity Self-Assessment (a lengthy questionnaire reviewing stewardship and probity) relied on by the Financial Statements Auditors. The financial management letter was noted to be positive with only minor advisory points and a clean audit opinion was confirmed.

The Internal Audit annual report had been omitted from the pack. It was confirmed to have been reviewed by the Audit Committee and access to the Board will be highlighted for subsequent noting.

The outgoing Chair of the Audit Committee summarised the work of the Committee during 2021-2022, in particular the development of the risk and opportunities register and the ability of the Committee to add value to college operations.



- **The Corporation was content to deal with the noting of the Internal Audit Annual report as agreed.**
- **The Audit Committee Annual report was noted and will be submitted to the ESFA in line with their requirements**
- **The Corporation noted that other documents scrutinised by the Audit Committee had been approved as part of the Financial Statements section.**

The report was noted.

C/85/22 Risk and opportunities register

The Deputy CEO-Finance provided detail on the higher scoring risks included in the register.

Risks highlighted centred around the procurement of equipment and long lead times, particularly in regard to technology equipment, cyber security risks, mitigations and training, increases in pension costs and increased costs on contract renewals.

The Corporation also noted the current opportunities and how these are being taken forward.

The report was noted.

C/86/22 Update on Health and Safety

The Deputy CEO-Education presented the report and highlighted progress on compliance and accountability of Heads in respect of risk assessments and staffing first aid requirements.

The work of the Response Group in particular was discussed and assurance given that progress has been made on the procurement of an appropriate system for notification of incidents. A report has been procured from external security consultants and the Group is reviewing recommendations in conjunction with the Executive.

The report was noted.

C/87/22 Equality Diversity and inclusion annual report

The EDI Manager attended to present the annual report and the proposed Single Equality Scheme.

A short power point presentation highlighted key achievements including the Equality Trailblazer (Bedfordshire Chamber Award) for the College's innovative approach to



EDI. The College is also a finalist in the AoC Beacon Award for Inclusive Learning Leadership which is being assessed on the 19th January 2023. It partly looks at how we share our EDI work with other providers. The awards were noted to recognise the promotion of the College's work on EDI externally and Sharon De Leonardis - the governor supporting EDI - was thanked for her contribution.

The Single Equality Scheme priorities were noted to focus on:

- Ensuring equity for students (of all protected characteristics) relating to achievement and wellbeing
- The debiasing of staff recruitment and supporting a sense of belonging for the current workforce
- Inclusive leadership and staff training
- Becoming a truly anti-racist organisation (Race Equality Action Plan)
- Maintaining a completely LGBTQ+ inclusive environment (LGBTQ+ Inclusion Action Plans are in place for further guidance and policies for staff and students)

The Board had taken part in unconscious bias training at their development day in October and asked about the further support they could provide. The EDI manager stressed the need for the Board to lead the agenda by example. The strength of the College's reputation was believed to stem from honesty about the journey and this is consistent with the values of honesty and transparency.

The Corporation approved the EDI Annual report and Single Equality Action Plan.

C/88/22 Governance RAG report 11.11.22

The Chair of the Governance Committee, Sheila Selwood presented the report.

Recruitment of governors had been placed on hold pending merger but work will be taken forward to address identified skills gaps and gender balance in particular.

The induction activities for new governors had been reviewed by the Committee and these will be tailored, involve more members of the executive team and take account of governor work-loads.

It was explained that part of the work of the Remuneration Committee remains confidential to external governors but that the requirement for the approval of the Senior Post-holder Pay Policy is a matter for the whole board. The Senior Post-holder Pay Policy had been approved by the Board previously and minor changes were highlighted.

The Corporation confirmed that on the recommendation of the Remuneration Committee the Senior Post-holder Pay Policy is approved.

The report was noted.

C/89/22 Minutes of the meeting 24.11.22

The minutes of the meeting on 24.11.22 were approved as an accurate record of the meeting.

Rachel Nicol, Joe Gallacher and Emily Parnwell left the meeting

C/90/22 Confidential minute Remuneration (prepared by Sheila Selwood) (partially redacted for sensitive personal data and confidentiality)

The Chair of the Remuneration Committee, Sheila Selwood talked members through the Remuneration Committee RAG rating and recommendations.

The Chair of Remuneration Committee highlighted that:

- the Committee had reviewed all Senior Postholder and Executive pay against a variety of benchmarks, including AoC and others such as Hays, NHS etc where relevant. Most, but not all, are in the median to upper quartile of salaries surveyed by AoC.
- the Succession Group will be looking at the future CEO pay and benefits in the coming weeks.
- if the merger goes ahead, there will be a need to return to review senior salaries.
- the Committee had agreed, with regard to Senior Postholder objectives, that there was a need to include SMART targets in order that the Board can review the objectives against measures for success - **these will be circulated and agreed electronically in January.**

The Chair of the Committee also highlighted the red ragged area, advising that the red related to the fact that the Committee had agreed a year ago that there was a pressing need to provide support for the Group Director of Governance's role, and that no progress had been made on this. *[minute redacted for sensitive personal data and confidentiality]*

Ian Pryce left the meeting

C/91/22 CEO Succession Arrangements (for external, staff and student governors only)



Rachel Nicol, Joe Gallacher and Emily Parnwell re-joined the meeting

The Executive Director HR and Matt Atkinson from FEAssociates joined the meeting via Microsoft Teams.

The Chair introduced the item. The Executive of HR presented a paper setting out the process of the CEO succession to date, the tender exercise, the current position and future process. Details were provided on the dates of adverts and interview dates.

The recruitment consultant confirmed the process would be a search led process, focusing on high calibre candidates appropriate to the position of the College regionally and nationally. There will be opportunities for all candidates to meet with the Chair and Vice Chair.

Questions centred around:

- The state of the market for CEOs
- Scrutiny of the recruitment consultant and reassurance about capturing new talent
- Parity of experience for external and internal candidates

- Fit of process and assurance around management of EDI
- Relevance of psychometric testing and alignment with values
- Ability to secure impartiality in the interview process, use of different panels etc.

The Board confirmed their satisfaction with the process to date and agreed:

- a. To approve the processes set out in the paper**
- b. Agree the outline of the job description paper subject to editorial redrafting by the Succession Group**
- c. Invite members to (i) provide detailed editorial comments on the JD draft to the Group Director of Governance for submission to the Executive Director of HR and (ii) confirm to the Group Director of Governance if they are able to be involved on the 2nd day of the selection process.**

The report was noted

C/92/22 Next meeting

The next meeting will take place on Thursday 8 December 2022 at 2pm