

**Minutes of the Corporation meeting
Thursday 20 January 2022
Video conference - Zoom
4.00pm**

Present:	Allan Schofield (Chair) Dennis Buckley Alan Carvell Sharon De Leonardis Richard Dimpleby Luke Ferebee Mark Lawson Melissa Peacock	Ian Pryce CBE, Principal & CEO Sheila Selwood Alasdair Simmons Vinod Tailor Luisa Vecchio Amanda Wagstaff Cliff Wragg
In attendance	Georgina Ager (Vice Principal) Pat Jones, (Executive Director of Finance) Rachel Nicol (Director of Governance & Clerk to the Corporation)	

Action

**C/1/22 Apologies for absence &
Declarations of interest**

Apologies

Apologies for absence were received from Olly Mills and Abigail Stevens.

Declarations of interest

Alan Carvell is a non-executive director of BCS Limited (a wholly owned subsidiary of Bedford College)

Minutes of the meeting

The minutes of the meeting held on 9 December 2021 were approved as an accurate record of the meeting. The Chair drew the attention of members to minute C/50/21 and highlighted discussions around management capacity and risk and opportunities analysis in considering the proposed merger.

C/2/22 Matters arising

The Chair suggested a change in the agenda order and set out his planned structure for the meeting.

Appointment of external governor



A written resolution had been circulated on the electronic board portal to endorse the appointment of Raj Randhawa as an external governor on the recommendation of the Governance Committee. The resolution had not been completed and the Board was asked to endorse the appointment.

The Board resolved to appoint Raj Randhawa as an external governor for an initial term of office to 31 July 2025.

C/3/22 Proposal for merger

The Chair introduced the item and attention was drawn to key papers provided to the Board including:

- Summary of information reviewed by the Merger Steering Group (“MSG”) and information identified as required.
- The Principal’s paper outlining the principles upon which the proposal is based.
- Queries on the draft Medium Term Financial Strategy (“MTFS”)
- Updated MTFS and revised financial projections based on information received.

The Chair updated the Board on the visit to Central Bedfordshire College (“CBC”) on 17 January with members of the management team and outlined future development in the geographical area

It was confirmed that the Board will be asked to make a decision in principle on whether to proceed with the proposal.

The Vice Chair was invited by the Chair to provide an update on the discussions of the MSG. The volume of work carried out by the Executive and information requested and scrutinised by the MSG was highlighted. Work had focused on the relationship between supplies and staffing, clarity on structure, progression tracking, the Self Assessment Report (“SAR”), Quality Improvement Plan (“QIP”) and Higher Education Self Evaluation Document (“HE SED”). It was indicated that the Governance Committee would hold early discussions on potential governance structures if the merger was to proceed.

Other MSG members provided further observations on some of the financial information and in particular the assumptions around HE numbers and developments on management capacity. Local development schemes in the area and political context were also outlined.

The paper produced by the Principal & CEO was presented.

The Principal and CEO outlined the operation of merger in the FE sector and the current position of CBC, with CBC governors as the central decision makers in the current process.

It was confirmed that the Executive is unanimous in supporting the proposal going forward. The strategic opportunities based on infrastructure and local development were outlined. The relationship between relevant local authorities and colleges, the



impact on the Group's market share in central Bedfordshire, the fit with Group strategy and synergies in terms of values and culture were also highlighted strategies was highlighted.

Risks explored included:

- Impact of staff costs ratio
- HE numbers, courses advertised on website, use of external providers and subcontractors.
- Buildings and capacity for development
- Competitor activity in Luton in the future
- Opportunities that may be delayed and how this will be approached.

The vision, consistency of culture, single campus and financial position were explained.

The position of competitors, views of government and impact on the Group if a proposal is not made was also highlighted.

Issues identified from the visit included;

- Governance and management, the need for more openness and desire to protect brand of CBC, communities and arrangements for CBC
- Leadership structure and need to determine how the structure will be established.

The level of information received was noted to be high and CBC considered the number of questions to be extensive. There was a general discussion on the appropriateness of information requests at the broad proposal stage.

Further discussion took place on initiatives that may not be pursued if a merger proceeds. The opportunity for focus on post 16 education and a review of the level of involvement with schools was given as an example.

It was raised as to whether the merger and governance arrangements would allow for greater diversity and inclusion at a leadership and governance level with the need to be open to attracting talented governors.

Information was provided on the fit of curriculum principles, raising the centre of gravity and substantial campuses with a broad curriculum as well as specialist campuses. Further work is being done on potential provision at Leighton Buzzard. Clarification was provided on where prospective students are going between 6th forms and further analysis is being carried out on numbers and travel links.

Anecdotal information was provided on the current limitations on the curriculum perceived by schools, competition from schools and adult courses run by local councils and academies. Further information provided by governors local to the area on the development of Junction 10 and 11A and Dunstable supported the data reviewed. The adult centre and community provision was noted to fit with the current learning centre approach.

Lessons learned from previous mergers and planned changes in approach will be reflected on.

The Board further discussed the HE arrangements around HNCs and HNDs including the private provider, Pearson products and franchise arrangements

Governance expectations and potential approaches to the appointment of staff and student governors were raised as was the need for recognition and incorporation of expertise and methods of engagement with external governors. **It was discussed and considered that at the current time it was not considered to be appropriate to agree a particular number of governors.**

The Board raised the required tone of the proposal and the need to remain positive about the achievements of the College.

The Board further discussed;

- Position in relation to the competition, financial, leadership, culture and structure.
- Openness to governance structure that is right for us and for them with examples of options from other colleges being outlined for further review The need to ensure the appropriate structure for focus on the oversight of education in each area, but with a need to maintain consistency across the Group was acknowledged.
- Staff governor views and the need to maintain focus on current business
- Reflection on previous merger implementation. Staff recognise strength of management but visibility and communication over split campuses has posed challenges. Need to focus on tone of communication when conveying decisions.

The Executive Director of Finance introduced the updated MTFS and highlighted:

- Management accounts of CBC, projected income, intake numbers (3 times a year)
- Pay percentage synergy once subcontracting removed.
- Capacity for development.
- Funding formulas and impact of demographics for each college, cost weighting and levels of disadvantage were noted to explain the differences in projection
- Modelling of curriculum.
- High needs and arrangements with local authority.
- Balance of work needed on curriculum.
- Information on leases and loan settlement requested.

The Board discussed the potential for scenario planning. Sensitivity modelling has been carried out with planned response via cost management when indicators are negative. It was clarified that the starting point for the MTFS was the CBC financial statements and learner numbers have been cross referenced to previous years to ensure no anomalies.

Financing and opportunity to restructure current facilities on merger was raised. Assurance was given that covenants are being met and options for early settlement of loans can be explored. Likely use of cash reserves and expectations of CBC was referenced.

The current deadline for merger was confirmed as February 2023



The Board resolved to support Executive team in putting forward the proposal outlined.

It was agreed that the MSG will look at any final information and / or any changes to modelling at their meeting on 4 February. **If any significant information is disclosed that undermines the principles outlined in the proposal the MSG will consider whether the matter should be referred back to the Board.**

A robust discussion took place as to the nature of the review to be carried out by the MSG and their role in the process. The consensus was that the matter of finalising the detailed proposal is for the Executive, the Corporation having endorsed the proposal presented. It was commented that it was considered to be helpful for support to be offered so that the Board and Executive move forward together.

It was agreed that the MSG should see a document that is as near to the final draft a possible in the time scale. The MSG will review the information for consistency with the principles for the proposal set out in the Principal's paper, and, in the absence of significant new information undermining the approval given, further reference to the Board will be for the provision of assurance and information only.

C/4/22

Strategic plan

The Principal & CEO presented his report.

600 staff had been involved in developing the purpose and values. The purpose was clarified as focusing on quality of education. The plan seeks to be ambitious in this context but remaining realistic.

8 strategic objectives were outlined including the focus on delivering excellence and digital investment following the appointment of the Executive Director of Digital Transformation. Early thoughts on leadership structure and holistic approach to education were referenced. Minor adjustments had been agreed by the Executive since the writing of the report include "caring" replacing "wellbeing" and "challenge" instead of "stretch".

Assurance was given on management capacity to deliver the plan aligned with the agreed educational focus.

The Board discussed prioritising the objectives and need for further work on determining how these are managed.

Support was given for the reference to deeper learning for individuals and communities following a conversation in the Race Equality meeting on need for development of training and awareness from board level throughout the group, for example on unconscious bias and awareness.



The Board gave general support for getting more individuals involved with delivery of the plan.

The potential to use “consistent” rather than “uniform” in relation to excellence, the latter inferring there is only one model was suggested.

General support for the overall intent and direction was offered.

Individual questions by board members for potential consideration included:
whether there is a lack of articulation on the direction of HE, fit with the T level objective, need to articulate whether growth can be achieved through acquisition and how this fits with the development of a University Centre and offer of more blended HE and development of partnership relationship (31)

-Use of word “things”(18)

-Whether we should be referencing delivering what people want (21)

-Reflection on assumption that technology increases wellbeing (in terms of working from home and preferences of students)

-Governance arrangement references. The Principal & CEO explained the context and differences in terms of representation and inclusivity (22). It was confirmed that the document is not intended for the public domain and is a document for management with a summary version being provided to staff.

Use of Volatility, Uncertainty, Complexity and Ambiguity (“VUCA”) analysis and the relationship to risk and opportunities management was commended but caution raised that staff need to be properly trained in executing this model to maximise effectiveness.

Assurance was given on the time frame for the appointment of the Executive Director of Digital Transformation.

The Chair highlighted a personal reservation shared with Principal & CEO as to whether the plan is proactive enough and also requested a check for consistency in language and referencing to ensure the intended meaning, for example in the use of terms such as system leader and market leader.

Further points raised by the Chair for consideration included: the needs to be consistent with the proposal for merger and in the relationship with schools, clear rationale for planned turnover irrespective of merger (£100m or £80m), clear statement of overall vision, by 2027 the College will be... and KPI development to link back to priorities in due course.

The Board discussed timing and likely impact of merger but supported the direction set out in the strategic plan and agreed that a mid-term review should be carried out in 2024-2025.

Governors were invited to submit any further feedback to the Director of Governance for reflection by the Principal & CEO.



The next meeting will take place on Thursday 24 March at 4pm