

Approved by the Corporation

Signed by the Chair

9/18/17  
Date

## MINUTES OF THE MEETING OF THE CORPORATION HELD: Thursday 29 June 2017

### Present:

|                          |                      |
|--------------------------|----------------------|
| Richard Wightman (Chair) | Governor             |
| Paul Ashton              | Governor             |
| Ralph Berry              | Governor             |
| Richard Dunbar           | Governor             |
| Eve Gregory              | Governor             |
| Robert Holden            | Governor (Staff)     |
| Judy Hooton              | Governor             |
| Dave Mann                | Governor             |
| Karl Oxford              | Governor             |
| Debbie Rolls             | Governor (Staff)     |
| Ramindar Singh           | Governor             |
| Dale Smith               | Governor             |
| Andy Welsh               | Governor (Executive) |

The quorum was six Governors

### In Attendance:

|                  |   |
|------------------|---|
| Sarah Applewhite | Head of Academic Quality & Standards (for Items 6, 7 and 8) |
| Joanna Green     | Clerk to the Corporation                                    |
| Clare Hallows    | Registrar (for Items 6, 7 and 8)                            |
| David Hambleton  | Director of Finance & Corporate Services                    |
| Naomi Sharples   | Deputy Provost  |
| Richard Thomas   | Provost   |

The meeting was held in the Boardroom, Old Building, Bradford College from 16.05 until 19.20. It was chaired by Richard Wightman.

*L/J* Denotes the time a Governor left/joined the meeting. Where the individual is not named in the minutes, a record is held separately and is available on request.

### 0. Preliminaries

0.1 The Clerk advised that a quorum was present. The Chair opened the meeting.

### 1. Introductions, Apologies for Absence and Disclosures of Interest

#### 1.1 Introductions

No introductions were necessary.

#### 1.2 Apologies for Absence

- Cath Orange had sent apologies due to conflicting committee meetings at Longley Park Sixth Form College, where she is Corporation Chair.
- Karl Oxford had apologised for lateness, due to an earlier engagement.
- Mary Hussain was absent without apologies.

It was **NOTED** that the meeting was a Special meeting due to the short notice.

1.3 **Disclosures of Interest**

1.3.1 It was **NOTED** that the Staff Governors Robert Holden and Debbie Rolls have a fiduciary conflict in relation to Item 10 (Staff Pay Review) and cannot join the discussion or vote.

1.3.2 The Clerk advised that two of the recognised trade unions: UCU and Unison, have submitted a 'failure to agree' notice in respect of the staff pay award determined on 27 April 2017; therefore, by the operation of clause 12.5(c) of the Instrument of Government, Debbie Rolls, being a UCU staff representative, must withdraw from the meeting during any discussion on the matter.

1.3.4 Dale Smith, Ralph Berry and Richard Dunbar, being local councilors, declared an interest in relation to the invoicing for the provision of the College's telephony system referred to in the Finance report (Item 9).

1.3.3 The Chair reminded Governors to declare other interests as they arise.

2. **Minutes of the meeting of 22 June 2017**

2.1 As the minutes of the previous week's meeting were not yet available, it was **AGREED** that this Item should be deferred.

**RESOLVED:**

*i. To defer approval of the minutes of 22 June 2017 to the next meeting.*

Agenda  
13.07.17

3. **Matters Arising**

3.1 The "Matters Arising" report was presented. It was similar to the previous week's report. The information in the "Action Taken" column was **NOTED**.

3.2 **Freedom of Speech Policy:** It was **AGREED** that this will be brought to the 13 July 2017 meeting for Governor approval, following consultation.

GCEO,  
Clerk

3.3 **Instrument and Articles:** The Clerk said she had met with Richard Thomas, the Provost, to discuss the need for further amendments and Governors would receive a final draft by email for approval at the end of the meeting cycle.

Clerk

3.4 **Corporation Communications:** The Clerk reported that she had a productive meeting with the new Communications Officer and intends to invite her to address the Corporation at the beginning of next term.

Clerk,  
Agenda

3.5 **Complaints Policy:** A first draft has been produced and it will be taken to an Executive meeting for discussion.

Clerk,  
Exec

3.6 **Committee Secretariat Recruitment:** Governors were pleased to hear that the draft job description and person specification is with the HR team for grading.

3.7 **Forster Community College:** The Group Chief Executive Officer, Andy Welsh ("GCEO") said this is progressing rapidly and the legal advice the College has obtained has been reassuring. Governors **CONFIRMED** that they are content for the deal to proceed and GCEO reminded the meeting of the need to maintain confidentiality until the deal is concluded. This was **NOTED**.

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**RESOLVED:**

*i. To note progress on the acquisition of the Forster Community College provision.*

*ii. To receive the report.*

**4. Governor Attendance**

4.1 The report was received.

**RESOLVED:**

*i. To receive the report.*

**5. Chair's Actions**

5.1 There were none to report.

*J16.10 Clare Hallows, Registrar and Sarah Applewhite, Head of Academic Quality & Standards, joined the meeting.*

**6. Higher Education ("HE") Strategy Approval**

6.1 Governors recalled that on 27 April 2017, they reviewed an earlier draft of the HE Strategy and deferred approval to this meeting.

6.2 The Provost referred to an email from HE Link Governor Cath Orange, commenting on the additional wording concerning the importance of the College's relationship with its communities and the region (inserted under the heading "Vision for Higher Education at Bradford College" on page 4 and at the top of page 6). She observed that it reads well and accurately reflects Governors' comments at the April meeting - but queried whether it ought to be reflected in the five Strategic Priorities. The Provost said he and his team would consider this feedback.

6.3 It was **NOTED** that the document now includes a reference to the challenges of operating in a fiercely competitive marketplace; and places more emphasis on the "student centered experience". It also identifies specifically the groups the HE offer will be aimed at, reflecting views expressed by Governors in April 2016 about the importance of the established catchment area.

6.4 A Governor asked what resourcing is needed to deliver the HE Strategy, referring to a question at the previous meeting about cost versus benefits. David Hambleton, the Group Director of Finance and Corporate Services ("DFCS") said the execution of the strategy will necessitate two forms of investment: (1) in the development of new products and (2) in the College estate. He said this will be picked up in the budget discussions.

6.5 A Governor commented on the level of development aimed at and asked how success will be measured and what milestones will be set for the monitoring of progress. The Provost explained that significant development is needed in response to the rapidly-changing external environment. He said as soon as the HE Strategy is approved, an action plan will be developed with targets to allow measurement and monitoring.

6.6 Referring to Goal 6 (page 9 of the HE Strategy document) a Governor asked whether there should be a reference to internal progression. The Provost said he would strengthen the wording to reflect that. There being no further questions, the HE Strategy was approved, subject to the agreed amendments.

**RESOLVED:**

- i. That having considered the likely impact of the proposed Higher Education Strategy on the educational character of the College and the achievement of the 2015-20 College Strategy, the Corporation approves the proposed HE Strategy, subject to the amendments articulated in minute 7 above.*
- ii. To receive the report.*

**7. Higher Education Quality Improvement Plan**

- 7.1 It was **NOTED** that the presentation of the HE Quality Improvement Plan (“the Plan”) supports a requirement of the new operating model for HE quality assurance whereby the Corporation must submit annual returns to the Higher Education Funding Council for England (“HEFCE”) confirming each year that it has received and discussed a report and accompanying action plan relating to the continuous improvement of the student academic experience and student outcomes.
- 7.2 The Provost said he will prepare a report for a subsequent meeting outlining the Corporation’s responsibilities in this regard, for the benefit of newer Governors.
- 7.3 Clare Hallows, the Registrar, and Sarah Applewhite, the Head of Academic Quality and Standards (“HAQS”), were in attendance to present the Plan. The Registrar first spoke to slides showing the College’s performance against the Teaching Excellence Framework (“TEF”) benchmarks for retention (full time undergraduates), progression to employment or further study, and progression to highly skilled employment or further study. Each slide contained a graph showing the relevant TEF benchmark.
- 7.4 It was **NOTED** that the College’s retention figure was below benchmark and slightly beyond the area of tolerance (3%), as was the number of students progressing to highly skilled employment or further study. The Provost said for both measures there is an upward trajectory - and there are actions in the Plan aimed at further improvement.
- 7.5 Turning to the Plan, the Registrar explained that the format will be changing to give greater prominence to the TEF metrics. She reminded Governors that “Areas for Improvement” are identified through the College’s periodic review processes, which uses information from the HEFCE Annual Provider Review.
- 7.6 A Governor referred to the policy of using student feedback to effect continuous quality improvement and asked the Registrar to comment. The Registrar said students are represented at the highest levels of decision-making and the ambition is to enhance the existing frameworks and strengthen the learner voice further, for example the College has recently introduced Faculty Student Councils to strengthen the Student Representative structure and promote student engagement within the quality assurance processes.
- 7.7 A Governor commented on the number of references in the Plan to learning resources, prompting discussion about the level of investment that is needed to adequately support HE students in developing study skills. The Provost said improving learning resources is a key priority, due to the risks around student satisfaction and learner outcomes and the risk of a knock-on impact on TEF performance. He said the available data shows that the provision is improving year on year, but there is still more to do.

Clerk,  
Provost

- 7.8 GCEO said as some of the learning resources improvement projects will be disruptive, they will not take place until the end of the 2017-18 academic year. He said as part of the review of the Estate Strategy, management is exploring the option of creating a dedicated HE building - in a move away from the current arrangement whereby FE and HE students are located together. It was **NOTED** that this would amount to a policy change, which would require Governor approval.
- 7.9 There was discussion about the factors which influence the curriculum offer for the teacher training courses. A Governor challenged management's rationale for offering particular subjects and the Registrar responded that the majority of courses on offer carry bursaries, being shortage subjects; and the National College for Teaching and Leadership had input into the course choices after liaising with the Government. Staff Governor Debbie Rolls added that there are no problems placing students on teaching placements and there is a 96% post-qualification employment rate.
- 7.10 Referring to the need to modify and enhance the HE curriculum, a Governor asked how the University of Bolton approaches the validation of new courses. The Registrar said it operates a validation cycle but has agreed to a transitional arrangement for the College until September 2019 on the understanding that the College will carry out the first steps of the validation process and the University will do the rest.
- 7.11 The Provost said the expectation is that 19 new products will be ready for launch in September 2018, attracting some 100 additional students (a conservative estimate). He said this has been factored into the income budget. With the Chair's permission, a course list was tabled.
- 7.12 A Governor commented on the conversion rate for HE applicants and the Registrar said the main reason for non-conversion is applicants not satisfying minimum entry criteria for professionally accredited courses such as teaching and social work. She said such applicants are offered alternative routes but don't always take them.
- 7.13 Asked to comment on the considerations which will underpin the HE attendance policy, the Registrar said there is a need to balance consumer expectations against the wish to encourage good attendance as a route to success and help students prepare for the reality of a career after graduation. She said the likely solution for HE students (except those who are subject to minimum attendance requirements imposed by professional, statutory and regulatory bodies) is a pastoral approach, whereby they are encouraged but not required to attend.
- 7.14 Governors **AGREED** that the Plan should be approved as a working document - which management may add to and/or amend. There being no further questions or comments, the Chair thanked the Registrar and HAQS for their update and their work on the Plan.

**RESOLVED:**

- i. That having received and discussed with the relevant management team a report and accompanying action plan relating to the continuous improvement of the Higher Education student academic experience and Higher Education student outcomes, the Corporation is satisfied that appropriate actions are being taken to improve the Higher Education academic experience and Higher Education student outcomes in line with targets set.***

- ii. *To approve the Higher Education Quality Improvement Plan as a working document, which management may add to and/or amend.*
- iii. *To receive the report.*

## 8. HE Quality Targets and Dashboard

- 8.1 The Provost introduced the proposed dashboard for reporting on HE performance indicators. He drew attention to various features, including a chart showing destinations data from 2014 and 2015; a chart showing annual applications since 2010 and projecting into 2018; and retention data presented to illustrate performance against the TEF metric and, separately, against the College's internal retention measure.
- 8.2 Governors reviewed the dashboard and there was discussion about the importance of equality and diversity data, including whether information should be collected about students' sexual orientation. A Governor observed that in light of the challenges facing ex-offenders, as well as care leavers and looked after children, it might be useful to do some data analysis for those groups.
- 8.3 A Governor commented on the limited use of targets and benchmarks in the dashboard, saying their absence is concerning as the dashboard should allow for at-a-glance monitoring of performance against the targets set against the key performance indicators – including the HEFCE benchmarks.

*J17.17 Karl Oxford joined the meeting.*

- 8.4 The Provost said the intention is to benchmark as far as possible and to build relevant targets into the dashboard. He said the benchmarks used by HEFCE, which are unique for each provider, are calculated on the basis of three years' worth of data - but the formula used to calculate them is not shared with providers, so it is hard to predict where the benchmarks will be in future years.
- 8.5 In response to a question, the Registrar explained that while the College values everyone's success, for the purposes of the TEF metrics, the achievement figures do not include students who complete their course out of cohort. The Provost said this is a key challenge for the College due to the relatively high incidence of students taking longer than the intended duration of their studies to finish. He said various controls are in place to mitigate the risk this presents, including changes of curriculum strategy and the introduction of additional support mechanisms.
- 8.6 Governors **AGREED** that they were reasonably satisfied with the design and content of the HE data dashboard and **AGREED** that it should be approved.

### **RESOLVED:**

- i. *To approve the Higher Education Data Dashboard for adoption with immediate effect.*
- ii. *To note the advice of the Higher Education management team in respect of the College's performance against the Teaching Excellence Framework metrics, in particular in terms of retention and progression to highly skilled employment or further study.*
- iii. *To receive the report.*

*L17.35 Clare Hallows, Sarah Applewhite and Naomi Sharples left the meeting.*

## 9. Q3 Financial Forecast and Financial Reports

- 9.1 The Director of Finance and Corporate Services, David Hambleton (“DFCS”) presented a paper outlining the financial position for the period as at Quarter 3. He drew attention to the following key risks:
- 9.1.1 a weaker EBITDA<sup>1</sup> position and a reduction in cash days (Risk #332);
  - 9.1.2 the forecast 2016-17 automated financial health score being lower than previously forecast (while it is still “Satisfactory”, the risk of an “inadequate” financial health score has increased (Risk #186)); and
  - 9.1.3 as particularised at Annex 4 of DFCS’s report, a risk around the loan covenant “debt servicing costs as a percentage of total income” (Risk #80), which must remain below 7% in compliance with the covenant.
- 9.2 In response to a question, DFCS said the College is seeking to renegotiate the loan covenants to gain headroom but this will incur a cost. He said there is a limit to what can be done to mitigate the other risks between now and the end of the financial year. Delays in completing property sales were a key factor in terms of budget variances, as was the late novation of the Forster Community College grant funding. On the positive side, the benefit will be felt next year.
- 9.3 A Governor asked how sensitive the automated financial health score metrics are. DFCS said the metrics are sensitive, as the score bands are narrow and the score moves in 10 point increments with each band, so a loss of income and/or increase in expenditure amounting to more than £250k would be material. He reminded Governors that due to its high gearing, the College does not score anything for the ratio “borrowing as a percentage of income.
- 9.4 A Governor raised a concern about the risk of unrepresented liabilities at year-end and asked how much communication is going on to ensure that there are no surprises in the form of invoices with no corresponding purchase order. DFCS said there has been a big push to ensure that procedures are followed and while there are still some incidences of this happening, the risk is reducing.
- 9.5 In response to a question, DFCS said information about the performance of the College’s subsidiaries is contained in his report. He said each subsidiary or joint venture company’s board of directors scrutinises the financial performance of the business and overall, there has been an improvement since Quarter 2.
- 9.6 A Staff Governor commented that there seems to be a lack of transparency around the College’s relationships with its subsidiaries, which is leading staff to question whether they deliver value for money. The Clerk said this is a critical question, as a charity may not provide financial support to a trading subsidiary on terms involving a greater or lesser element of gift. She said Governors may wish to request a paper on this to give assurance that value for money is being obtained in transactions with the College’s subsidiaries. This was **AGREED**.

### **RESOLVED:**

- i. To note the current financial position and the updated forecast outturn for 2016/17.***

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<sup>1</sup> Earnings before interest, tax, depreciation and amortisation (EBITDA) is a measure of a business’s operating performance which is used by the College in its financial planning and reporting.

ii. **To request a compliance report giving assurance that the College does not provide financial support to any trading subsidiary on terms involving a greater or lesser element of gift.**

Clerk,  
GCEO

iii. **To receive the report.**

## 10. Staff Pay Award

L18.05 Debbie Rolls left the meeting.

- 10.1 In accordance with clause 12.5(c) of the Instrument of Government, Staff Governor Debbie Rolls left the meeting during the discussion about staff pay. The Clerk confirmed that, notwithstanding that Staff Governor Rob Holden is not allowed to join in any discussion, vote or count in quorum on the issue of staff pay, the meeting remained quorate.
- 10.2 A communication entitled “Where’s our pay rise? Show us some respect” was received from UCU. The meeting discussed this, as well as a letter received from UCU and Unison the previous week (dated 22 June). Both asserted that the 0.35% consolidated pay award had been made without pay negotiations having taken place with staff representatives. The letter also alleged that the College had unreasonably failed to share financial information with the unions and criticised the College for failing to make the AoC’s (Association of College’s) recommended 1% award.
- 10.3 A Governor expressed regret that the Corporation had been unable to respond to the unions’ letter before the ‘failure to agree’ was declared. When asked to comment on the adequacy of negotiation with staff representatives, GCEO said there is disagreement as to whether the discussions that were had amounted to negotiation; he said he will shortly be chairing a ‘failure to agree’ panel which will hear evidence from the managers who ran the process.
- 10.4 DFCS was invited to address the meeting. He said unfortunately (as per his earlier reporting under Item 9), management is not in a position to recommend any change from what was agreed on 27 April. The finance team is still working on the income and expenditure budgets for next year, but based on the Q3 forecast, even making a 1% consolidated pay rise would exceed the Corporation’s expressed risk appetite; the joint staff unions’ pay claim of 3% would expose the College to an unacceptable risk in terms of the financial health score. While the sale of buildings will provide some working capital in the short term, it will not fund an additional £2.7m-£3m per year financial obligation.
- 10.5 Although Governors **ACKNOWLEDGED** the financial risks to the College, they expressed concern about the impact of stagnant pay levels on staff wellbeing, staff retention and industrial relations. A Governor observed that in previous years, the trade unions had framed their concerns about how income was being spent and the living standards of staff in the context of the wider funding environment and the fact that funding for the sector has not increased with inflation since 2010. The Governor said it is concerning that neither the 22 June letter nor the ‘Show us some respect’ communication mentions the financial pressures facing the sector and this could be an indication of worsening industrial relations.
- 10.6 It was **AGREED** that assurances must be given to staff that Governors are deeply concerned about the pay situation and are actively pursuing solutions: lobbying Government Ministers and local MPs on Government spending policy; and holding senior post holders to account on quality, sales and value for



money, as well as staff satisfaction and wellbeing. GCEO said discussions have been had with the trade unions regarding the need to respond to the national challenges together; he hopes these will continue.

- 10.7 A Governor referred to the Corporation's request (at the 27 April Corporation meeting) that scenario-modelling be done, to explore the practical impact of approving pay awards at various levels. DFCS said the exercise is not yet complete but the figures will be available by the next Corporation meeting (13 July), when the income and expenditure budgets will also be at a more advanced stage. It was proposed that the pay award determined on 27 April should stand until then and this was **AGREED**.

**RESOLVED:**

- i. **To note management's advice in respect of the College's financial position and the risk of increasing the pay award agreed on 27 April 2017.**
- ii. **To receive the letter from UCU and Unison and the communication from UCU and to note the concerns raised by the unions and the risks to strategic objective 3.3 ("To be an Employer of Choice").**
- iii. **(By a majority) that the pay award agreed on 27 April 2017 shall not be amended; however a further review will take place on the 13 July 2017 when management shall present more detailed financial information, including the outcomes of the scenario-modelling.**
- iv. **To receive the report.**

Clerk,  
Exec

J18.30 Debbie Rolls rejoined the meeting.

L18.30 Dale Smith left the meeting.

L18.30

**11. 2017-18 Budget Setting Process: HE Student Numbers and Income**

- 11.1 DFCS reminded the meeting that the 2017-18 budget approval is progressing in stages - with a view to completing the work by 20 July 2017. He said this meeting Governors will be looking at the HE income budget.
- 11.2 The Provost presented the assumptions underpinning management's predictions for HE tuition income in 2017-18, speaking to a Power Point presentation. With the Chair's consent, copies of the slides were tabled.

J18.35

- 11.3 The meeting discussed the external environment, **NOTING** that since the removal of the student cap, competition for applicants has become more aggressive. There was discussion about recruitment and the College's fee policy; the Provost said the evidence suggests the market is not price-sensitive.

J18.45 Ralph Berry left the meeting.

- 11.4 The Provost said the "most likely" scenario is that the HE income for 2017-18 will remain stable initially, with modest growth going forwards. He said this is based on the anticipated value of the new curriculum products, as well as the

potential for growth in higher level apprenticeships. The “risk” scenario sees a decline in student numbers leading to a £14.2m decline in income next year and a £15.9m decline in income the following year, whereas the “stretch” scenario would see student numbers increase to 3,000 next year, in which case some investment decisions would need to be made.

- 11.5 The Provost said unfortunately it is quite a volatile time; the College will have a significant push on both clearing and non-clearing over the summer, along with the rest of the sector. Improving retention will be critical.
- 11.6 Governors **CONGRATULATED** the Executive on the quality of the sensitivity analysis and thanked the Provost for his report. It was **AGREED** that the HE income budget should be approved.

**RESOLVED:**

- i. To note the management recommendations with regard to the 2017-18 HE income budget and the various minimum and stretch targets, together with the budget assumptions and other rationale.*
- ii. To approve the HE income budget for 2017-18.*
- iii. To receive the report.*

**12. Dates of Next Meetings**

- 12.1 The dates of the next meetings were noted as follows:
- Thursday 13 July at 4pm
  - Thurs 20 July at 4pm

**13. Any Other Business**

- 13.1 There was no other business.

**14. Meeting Evaluation**

- 14.1 The evaluation report from the previous meeting was received. New evaluation forms had been circulated for completion and these were collected in.

**RESOLVED:**

- i. To receive the report.*

There being no further business, the Chair thanked everyone for their attendance and the meeting closed at 19.20.