

Notes of the Barnfield Further Education Corporation Board Meeting held on Thursday 22nd February 2018 at 6.30 pm in the Board Room, Barnfield College, New Bedford Road, Luton LU2 7BF.

Governors	Cumulative Attendance	Present at this Meeting
Robin Somerville (Chair)	6 of 6	✓
Alex Bain-Stewart (Vice Chair)	5 of 6	✓
Nick Barrett	6 of 6	✓
Elaine Battams (Staff)	6 of 6	✓
Ayotunde Efunkoya (Student Governor)	3 of 6	No Apologies Received
Louise Ellis	4 of 6	✓
Tim Eyton-Jones (Principal and CEO)	6 of 6	✓
Peter Hill	5 of 6	✓
Marc Hulbert	4 of 6	✓
Gavin O'Brien	4 of 6	✓
Imrane Sarrouj (Student Governor)	2 of 6	Apologies Received
Paul Seath	4 of 6	Apologies Received
Trevor Warrs	6 of 6	✓
	Percentage Attendance to date (61/78) 78.2%	Percentage Attendance this Meeting (10/13) 76.9%

In Attendance: Claire Dores – Vice Principal Transforming Equalities and Safeguarding, Susan Evans – Interim Finance Director, Lisa Milligan – Director Quality and Improvement, Caron Montague – Clerk to the Corporation, Shagufta Shahin – Vice Principal Transforming Curriculum and Learning.

1. Welcome and Apologies for Absence

The Chair welcomed everyone to the meeting. Apologies for absence had been received in advance from Imrane Sarrouj and Paul Seath and were accepted. The meeting was quorate.

2. Declarations of Financial and Non-Financial Interests

The Chair asked Members to declare any financial or non-financial interests, there were none.

3. Notification of Items of Any Other Business

No additional items of business were notified.

4. Outcome from FE Commissioner Visit and ESFA Notice to Improve – Financial Health

Two Deputy FE Commissioners and one Assistant FE Commissioner conducted a three day visit to the College on 12th – 14th February 2018. They spoke to Robin Somerville, Peter Hill Marc Hulbert, Paul Seath (via telephone) and Trevor Warrs.

Robin Somerville discussed his findings of his meeting stating that although the task is very challenging The College must take radical and swift action to ensure the necessary changes are implemented.

The Principal and Chair summarised the FE Commissioners recommendations.

Recommendations

1. FE Commissioner will complete a SPA (Structure and Prospects Appraisal) to confirm the sustainable future of the College by the end of July (there are no predetermined outcomes).
2. Governors to establish a Finance Committee and ensure that the Finance Director post is a senior post holder position.
3. Principal to ensure that there is rapid improvement of data for planning and monitoring with data that is improved in accuracy and availability.
4. By end of March 2018, the Principal provides a fully costed curriculum plan including step change of reduced costs including target numbers and expenditure for staffing and non-staffing costs.
5. Governors must ensure that the Financial Recovery Plan sets clear and measurable targets to right-size the College; drive down pay costs below 65% of turnover; and achieve a substantial reduction in the 2018-19 operating deficit of at least £2m.
6. Governors to consider external testing of cashflow forecasting and budgeting procedures.

Additionally

1. The College is in administered status. A member of the ESFA will attend our Board meetings.
2. Further scrutiny and monitoring will take place with a visit from the FE Commissioner by the end of March. We must ensure our Financial Recovery Plan is issued by 28th February and that we are making transformational change. There will be another stocktake assessment in October 2018 where it is anticipated that the three Commissioners who attended this visit will undertake a review of progress.

It is expected that the FE Commissioner will attend for the one-day visit in March to assess leaders progress. During the recent visit, we received compliments about the amount of work that has already taken place and our vision for the new build. Over the visit, there was a realisation that our development plan was achievable with a recognition of the 'heavy lifting' the College had undertaken to date and the benefits to learners and the local community of the proposed new build in the town centre.

Governors discussed the possible merger with Central Bedfordshire College concluding that although the rationale for merger is well-understood and not disputed it remains a matter of the right time. The Board reflected that Central Bedfordshire College also has challenges with its estate and aspects of the quality of its provision.

Without warning LBC has advised it no longer requires part of our site for a new school as the pupil growth that had been modelled can now be accommodated by other means. Discussion is now taking place with Redrow regarding acquiring the NBR sit in its entirety, which may have the advantage of securing additional revenue for the College. Governors affirmed their intention to progress the Bute Street building and as previously agreed the design would be adjusted to meet the available budget.

The Finance Director appointment needs the right calibre of person who can report to the Board. As recommended, the post has been made a senior post holder role. If required the College can be flexible with salary negotiations to attract the correct calibre of applicant. There will be a rigorous process for shortlisted candidates. If the College does not find a suitable candidate then we will readvertise.

The Board commented, the recommendations of the FE Commissioners are welcome and will be helpful in securing recovery. The Board is looking forward to working constructively to this end with the ESFA appointee.

5. Updated Financial Recovery Plan as required by the ESFA by 28th February 2018

The Clerk tabled version 8 for all Governors to discuss; this version includes significant change incorporating data updates from the Interim Finance Director.

Page13/14 (8.3.2). Discussions are taking place regarding a review of all curriculum areas and course lines including income, pay and non-pay costs. Adding to that is the overlay of attendance, achievements and quality criteria. Robin Somerville stated that this will assist the Board at the Development Day in March to make some challenging and hard decisions. Governors need to right size the College ensuring transformational change with pace.

The College is addressing main strategic projects such as curriculum, and mothballing 8,000sqm of space at NBR giving savings of up to circa 20% on cleaning and energy costs. Right sizing the College is an immediate priority and in line with FE Commissioner recommendations. Robin Somerville stated that one area to explore is the potential to migrate some of EW's provision to NBR. Additionally, he asked that the College explored the potential to close the Enterprise Way campus by the summer. This would be a radical decision. Governors questioned the realism of this task but agreed that there was sufficient merit to explore. If the College realised £5m it would support the College's financial health. Alex Bain-Stewart stated that the closure of EW would be a quantum leap. Robin Somerville reassured the Board by confirming any such decision must not be detrimental to Barnfield College's brand and reputation.

The Board returned to the Financial Recovery Plan which was still being refined by staff to ensure it is ready for 28th February it outlines the big strategic decisions that are required and deadlines and milestones for the achievements of these. The Principal explained the Deputy FE Commissioner considered the plan was process heavy and required further detail. This financial details is being provided by Susan Evans and Ian Lennox. The Principal had confidence in the plan which would be submitted.

Peter Hill expressed concern that the Plan did not provide enough explanation as to how proposed change would be implemented; he was keen to see all the detail. Tim Eyton-Jones advised that there have been changes to the plan since it was presented to the FE Commissioner i.e. staffing costs are already under budget for the current year.

The Principal explained a detailed curriculum plan for 2018-19 is currently being developed and the College will require to make important decisions about viability of provision. The Principal recognised that important in this is also the College's internal and external reputation. He noted that some courses will grow some courses will grow year-on-year but savings will be made over a plethora of areas.

Peter Hill asked Susan Evans to give a summary of her findings since joining the College. Susan Evans, Interim Finance Director, explained that the next twelve months would be crucial in terms of cash flow. The College is aiming to secure additional funding of circa £5m. There are a number of pinch points in the year where cash becomes very tight. The current cash flow indicates a cash issue in March 2018. Discussions are taking place with a number of banks regarding a £5m drawdown credit facility.

Susan Evans explained the important in the Financial Recovery Plan and updated the Board on changes within the Finance Team. Finances need to be fit for purpose. The College is creating a new structure with cost codes to provide total transparency forecasting plans will be updated as soon as MIS data is available. There is a lot of work taking place which is highlighted in the plan. The College will show that it is tackling issues going forward. There is a need to ensure the right people are in place to make this difficult twelve months achievable.

Lisa Milligan commented the Board has been aware of year on year deficit against breakeven budget and it is more than timely that good financial foundations are being put in place. Moving forward it will be essential with improvements in quality, teaching and learning, attendance, student outcomes and growth will drive income.

Expenditure on the new build will be reduced due to the agreed smaller size of building. Conversations are taking place with architects and other professionals. Currently the College is in the phase of the project requiring expenditure not bringing in income. Discussions are taking place with land agents regarding the redevelopment plan for the whole site with this information needed quickly.

Elaine Battams enquired as to how confident the Board can be with finance issues as many have not been picked up over the last three years and assurance is needed that there would not be any new ones found and if so would they be dealt with immediately. Susan Evans responded that the team can see what is needs to be addressed and are keeping communications open. Codes allocated were inconsistent which have been addressed; currently every single order goes to the management team for agreement until we are assured that the system is a robust one.

Discussion continued with the Chair asking for any further comments to be passed to the Principal by 5pm Friday 23rd February. Members of the Board APPROVED the tabled Draft Financial Recovery Plan.

Acton – Principal to send updated draft to Board.

6. Appoint Finance Committee

A recommendation to appoint a Finance Committee was discussed. The Board NOTED it was intended to recruit two experienced financial experts to sit on the Board. Members of the Audit Committee cannot sit on the Finance Committee. This will also satisfy one of the FE Commissioners recommendations (No 6) of external testing our cash forecast and budgeting procedures.

The Board APPROVED to appoint a Finance Committee and to co-opt two extremely skilled external members.

7. Approval to delegate to Capital Project and Estates Development Task Group the authority for the Finance Director appointment

The Clerk requested the Board to delegate the approval of the Finance Director appointment to the Capital Project and Estates Development Task Group. Now this position is a senior post holder role appointment it needs to be made by the Board. This Task Group meets on 5th March the next working day after interviews have taken place on Friday 1st March.

The Board AGREED for the RECOMMENDATION from the interview panel for the role of Finance Director to be issued to all members by email after the interview for feedback and then the decision RATIFIED at the Capital Projects meeting on 5th March 2018.

8. Any Other Business

No other business items tabled. The meeting closed at 7.50pm.

Signed:

Robin Somerville, Chair of the Board of Governors

Date: _____