

Notes of the Barnfield Further Education Corporation Board Meeting held on Tuesday 2nd October 2018 at 18.30 in the Board Room, Barnfield College, New Bedford Road, Luton LU2 7BF.

Governors	Cumulative Attendance	Present at this Meeting
Alex Bain-Stewart (Vice Chair)	1 of 1	✓
Nick Barrett	1 of 1	✓
Elaine Battams (Staff)	0 of 1	Apologies Received
Louise Ellis	1 of 1	✓
David Filby (Staff)	1 of 1	✓
Peter Hill	1 of 1	✓
Marc Hulbert	1 of 1	✓
Chris Nicholls	1 of 1	✓
Gavin O'Brien (Vice Chair)	0 of 1	Apologies Received
Ann Rowswell	1 of 1	✓
Martin Sim (Interim Principal)	1 of 1	✓
Trinity Hutley (Student)	1 of 1	✓
Trevor Warrs	1 of 1	✓
John Wrigglesworth	1 of 1	✓
	Percentage Attendance to date (12/14) 85.7%	Percentage Attendance this Meeting (10/12) 85.7%

In Attendance: Susan Evans – Interim Finance Director, Lisa Milligan – Director of Teaching, Learning and Assessment, Caron Montague – Clerk to the Corporation, Stuart Parkes – Head of Intervention (Midlands and East) ESFA, Stephanie Mason RSM – Item 6 only.

1. Welcome and Apologies for Absence

Chair welcomed all members introducing our two new members Trinity Hutley (Student Governor) and John Wrigglesworth (Independent Governor). Apologies for absence had been received in advance from Elaine Battams and Gavin O'Brien 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. To Approve the Minutes of the Previous Meetings – 10th July 2018 and 29th August 2018

The Minutes of the previous Meeting of the Board of Governors held on 10th July 2018 and 29th August 2018 were APPROVED by those present and SIGNED by the Chair as an accurate record.

18.45 N Barratt gave his apologies for late arrival and joined the meeting.

5. Register of Actions and Matters Arising

The Board REVIEWED the Register of Actions and NOTED the Matters Arising with the following areas discussed in depth:

- All Governors were reminded to complete training as per Clerks email 30th July 2018.
Action Point - Clerk to remind Governors of training renewals.

Attendance

Peter Hill enquired as to whether the increased attendance/punctuality monitoring taking place was showing impact. Martin Sim responded that attendance was a key driver. Barnfield has a typical profile of L1/L2 learners who are challenging and not totally committed to education. Staff are now required to complete attendance registers in a timely manner to enable support staff to address any non-attendees. There is no significant difference in attendance data to this time last year which is a disappointment with the new systems in place; although this time last year we would not have been in the position to request data as it would not have been available. It was noted that if there is outstanding teaching and learning there is rarely an attendance issue. Ofsted reported an improvement but not yet good enough agreeing we are on the right trajectory.

Investment has been given to both MIS and Student Services to process and turnaround attendance and punctuality issues ensuring effective measures are put in place. Communication is improving with both staff and students. Attendance and punctuality will be presented at our Curriculum, Quality and Standards meeting in November with a summary presented to Board in December.

6. Update and Recommendations from Merger Steering Group

Both colleges are working hard moving our merger to conclusion for 1st February 2019. The consultation is underway closing on 13th October. As at 25th September 23 responses had been received predominately positive. Robust discussions have taken place around the Strategy Plan. The Curriculum Plan has been drafted for 2018-19 which will be reviewed at Audit Committee. Staff are working well together with current systems staying in place until the end of the academic year for minimum disruption for learners.

Progress made has been phenomenal. Links between teams for joint working and improved practice are underway. A joint SCIF bid has been made which will provide additional resources. An English and Maths pilot will take place and will test the Curriculum Plan.

Stephanie Mason, RSM was welcomed and presented her Due Diligence key financial report on West Herts College. Governors were advised that once the report was complete it would go to West Herts for accuracy then to Barnfield Board for review. She confirmed that in terms of responsiveness and receiving information WHC have been very amenable with very open communication links.

The objective of due diligence was explained together with key findings covering:

- Capital project at Hemel Hempstead
- Sale of Kings Langley site
- Together Training (subsidiary with Oaklands)
- Apprenticeships
- As a brand in 2017-18
- Identified risks by WHC

Stephanie confirmed that there were sufficient funds to support the capital project at Hemel without the sale of Kings Langley. It is hoped that the Hemel contracts will be signed later this month. Cash balances are currently high and forecast to remain so going through; there is sufficient cushion to support.

Together Training is a joint venture with Oaklands College, originally set up in shared partnership, WHC have one share more for administrative purposes for parental guarantee as the dominant partner; it has been operational since August 2018. Stephanie confirmed that there seemed to be no risk going forward as long as it brings sufficient income to cover expenditure. As a business it will need parental support which is provided by WHC.

Risks identified by WHC include a drop in HE numbers, national picture, but it only equates to £250k per year. Financials are classed as a medium risk but WHC are in the outstanding finance category; it is right to acknowledge that there may be a risk. Stephanie was unaware that the WHC Finance Director was leaving and stated that she would investigate background and security with this role moving forward.

Chris Nicholls enquired how the two different pension schemes would be managed and what risk that would entail. Stephanie Mason responded that this was not part of her due diligence scope but both colleges could continue with their respective schemes although it was usual for the merged college to take on the merger colleges scheme. It is a conversation that is required. Martin Sim confirmed that KPMG are investigating whether Herts or Beds would be the best pension provider for the new college. Stephanie advised that Barnfield would benefit from talking to their provider and LA officials to ensure a smooth transition, provision of each scheme moving forward regarding deficits and taking security. If doing security over assets it will need serious consideration and will need to be included in the financial report.

Income and Expenditure

There is a small decrease in income offset by an increase in 16-18 funding, some movement in staff costs, pension swings and exceptional costs. Income is predominately 16-18 provision, devolution and adults out of London. There is circa £500k of learners living in post code; a similar issue to Barnfield at £1.4m for the academic year 2019-20. It is manageable.

Staff costs are constant. Kings Langley has been included which has distorted totals. Staff costs are running below DfE benchmark (even with Kings Langley removed).

Balance Sheet

Assets will be a cushion for a while. There is a bank loan secured on the Watford campus. Hemel campus will provide a second tranche of proceeds of £9.5m. The £3.5m provision carried forward is the pension provision which has been in place for 20 years from a redundancy exercise which included an enhanced pension. It will continue until that cohort is no longer claiming pension.

Key Findings

The final report will include actions and a RAG-rated risk analysis on key findings. Previous budgeting decisions reflecting on cash flow will be reviewed. Liquidity is high due to cash balances with one insurance claim.

Martin Sim asked whether the final report would be very different to the one tabled? It appeared that there was nothing now or in the future that would defer Barnfield that merger would not be a viable option. Stephanie Mason confirmed she was not expecting any more issues with a little more work around bank ratios to be completed. The final report would be expected around mid-October. Barnfield Board would receive once it had been agreed for accuracy by WHC.

Governors questioned that if the Hemel sale was not completed as anticipated whether it would cause a significant risk to cash flow. Stephanie responded that the monthly cash flow would be interrogated before the final report. ESFA are also clawing back AEB non-achieved funding in December rather than spring this academic year. Stuart Parkes confirmed that Barnfield was aware of this.

Barnfield and ESFA have discussed sub-contracting targets; achieving the AEB target of 97%, other sub-contracting funding has been agreed including the instance of non-compliance earlier this year.

The Corporation Board would need an exceptional reason for not completing merger balancing all risks. Stephanie Mason was asked to confirm through the Clerk that Barnfield was on target for vesting date with a full report distributed to Board for agreement. It was unanimously AGREED that we could move to Phase 2 of Due Diligence and that comments and agreement could be made through electronic means via the Clerk to address time constraints and speedy consultation actions.

With there being no further discussion Stephanie Mason was thanked for her comprehensive report and presentation, leaving the meeting at 20.05.

Action – Clerk to attach Extract Minute ratifying the final due diligence report once received.

The tabled Heads of Terms were unanimously AGREED.

Within the Heads of Terms is the agreement of three members from Barnfield's Board joining the new college Board. Clerk has received six expressions of interest. As the merger process progresses we will look at staff and student representation on the Board together with skill requirements for the Governor positions available.

7. Register of Interests and Eligibility to Service

The Board RECEIVED and NOTED the Governors Register of Interests updates for 2018-2019.

8. Annual Review of Governance Arrangements

Agree Plan Board Work Plan (calendar of reporting)

The Board REVIEWED and AGREED the Board Work Plan for 2018-2019.

Code of Conduct

The Board REVIEWED and AGREED the current Code of Conduct concluding that due to the forthcoming merger there was no current need for change.

Committee Membership

The Board REVIEWED the current membership AGREEING that due to the forthcoming merger there was no need to increase membership further. All members present have confirmed that they would continue in role until merger.

Instrument and Articles

The Board REVIEWED and AGREED the current Instrument and Articles concluding that due to the forthcoming merger there was no current need for change.

Keeping Children Safe in Education – September 2018 update

All Governors are requested to sign and return confirmation that they have read and understood the updated version. Clerk to reissue.

Action Point – Clerk as above.

Link Governor Programme

All non-Staff Governors to contact The Clerk before 20th October confirming their link responsibility area. Link visits are requested termly as part of good governance offering challenge and monitoring operational procedures. Clerk to issue programme details including protocols and reporting form.

Action Point – Clerk as above.

Standing Orders

The Board REVIEWED and AGREED the current Standing Orders concluding that due to the forthcoming merger there was no current need for change.

Governor Skills Matrix

The Board RECEIVED and NOTED the tabled Governors Skills Matrix which had been conducted during the early part of the last academic year. Governors who have expressed an interest in joining the new college board will need to complete due process for application which will include a skills audit. Clerk to contact WHC to use the same matrix going forward.

Action Point – Clerk as above.

9. Standing Item – Committees/Task Group Updates

Strategy and Finance Committee - Terms of Reference

An updated ToR was tabled reflecting changes to the committee name and additional comments agreed at committee. The tabled Strategy and Finance Committee Terms of Reference was unanimously AGREED.

Capital Project and Estates Task Group

The notes tabled from the 2nd July 2018 conclude the business for this committee. They were APPROVED by members present.

10. Policy Updates

Behaviour and Learning Policy

The Behaviour and Learning Policy has changed accentuating the positive as well as negative clearly showing a swift movement through disciplinary. Impact to these changes will be monitored and reviewed.

Marc Hulbert raised two areas for clarification – whether lecturers were aware of the expectation of delivering outstanding or consistently good lessons and that there did not seem much opportunity for any student who wished to appeal. Lisa Milligan responded that lecturers know their expectations which are included in another policy. There is a formal appeal process with a number of different contacts to manage behaviour and invoke the appeal process. It is about realistic expectations of staff and reemphasising the positive

The Behaviour and Learning Policy was unanimously AGREED by members present.

11. Standing Item – Risk Register Update

Susan Evans and Martin Sim are currently reviewing the Risk Register which is work in progress. It is a large piece of work which has been delayed due to our Ofsted visit and due diligence work currently being undertaken ready for merger. There are is nothing to report back on at present.

20.30 Marc Hulbert gave his apologies and left the meeting.

12. Draft Reports and Financial Statements for the year ended 31 July 2018

The Strategy and Finance Committee reviewed the finance pack in depth at their last meeting. Ann Rowswell confirmed that she was reassured with reasoning behind the £1m deficit in cash flow for March. ESFA funding has directly impacted the cash flow with a revised version tabled for review. ESFA approved £1.9m funding of which we have used £985k, £350k was repaid in August. This leaves us with £568k to help cover cash flow dips during spring 2019; it will be drawn down as working capital in December 2018. The claim for this has been submitted and we await the response from the ESFA's Governance External Committee, expectation is that it will be agreed.

The original funding case included a charge on the Bute Street car park. At the point of merger the ESFA funding will increase to £1.55m with £568k repaid back in May. The AEB expectation deficit of £500k has been erased because we have met our 97% target. At the end of the 2018-19 year we will be in a positive cash flow position of £505k.

The hard work by staff and cuts to budget are now showing positive impact. The drop in deficit from £3.5m to £2.8m has been due to a release of items on the balance sheet that had not previously taken place. A £1.5m credit to ESFA was a capital grant from September 2018 when Barnfield owned York Street. Contributions of £2m were received from the ESFA for purchase and at point of sale the value was £1m. There was a caveat giving twelve months to use within our property strategy; this did not happen. A letter of conversion is on file with emails supporting the ESFA grant. It has been concluded that when the Federation changed back to Barnfield it was agreed on future property strategy which has consequently been used on Bute Street. There was no stipulation on how it was spent. It will be classed as a prior adjustment and cleared before merger.

20.45 Trinity Hutley gave her apologies and left the meeting.

13. Principals Report

Progress against FEC recommendations are highlighted in blue writing. There is an expectation of a FE Commissioner stocktake visit soon; our recent Ofsted visit was earlier than anticipated.

Academic Performance

The college continues to collect results data and validate through the ILR software; the final return is due to be completed in early October. Approximately 86% of results have been processed and, in general, early indicators are positive. Staff performance is pleasing with monitoring improving.

Ofsted Inspectors thought that our teaching and learning had improved but there was still a long way to travel with a slight improvement from a very low base. Staff are ensuring that the right learners are on the right course. Student Review groups are starting shortly. Maths and English results are still not good enough with progress minimal at best. The College is now part of a maths pilot to work with WHC to raise standards.

As discussed once the SCIF outcome is known it will enable acceleration of improvements required as to how we support staff to improve their craft of teaching etc. The Curriculum, Quality and Standards Committee will receive a full breakdown of results and SKIF outcome. We have put in a bid for £165k which is doable but we are limited on what we can bid for.

Enrolment statistics are expected to reach target although there is always a higher level of drop out with L1/L2 students than those at L3. External issues are coming into college which is affecting behaviour at both campuses. There are fewer incidents at EW but the ones we have had are more serious. Security has been appointed until half term as a preventative measure. The security is to support staff; we will be phasing this out to replace with three campus officers who will work proactively with students. This is included within budget.

Jason Bangbala will be providing Managing Challenging Student Behaviour training for staff along with Isabell Wallace who is a leading practitioner on stretch and classroom practice. These external trainers will give much needed support to our staff. The College is due to close on the Monday after half term for a full day of staff training. Currently in Luton secondary schools there seems to be a culture of celebrating non-achievement at GCSE; it is this mentality that is transferring to college causing difficulties with engagement. Beth Taylor works closely with local intelligence and youth groups. Behaviour has improved this year.

The estate continues to be a concern with a potential for high risk safeguarding concerns. We are managing but it cannot deteriorate. WHC have completed a site report which will be available soon. There is a lot of IT equipment which cannot operate current software which is frustrating for learners and staff. WHC are planning to significantly invest in our IT provision.

19 responses were received from our recent staff survey it is not a positive picture. Consideration is being given as to whether to do another staff survey before merger and whether it adds value. A report will be issued to our HR Committee.

There is no known progress to depth of detail regarding the Insolvency Regime and the effect it may have moving forward. Stuart Parkes confirmed that the ESFA will be completing more work around the pathway and prevention to help colleges avoid insolvency. The deadline for restructure applications has now past but our Due Diligence report places the College in a good position. Discussions are taking place for an alternative plan should the merger unfortunately fail. The ESFA are working alongside Barnfield and recognise that our prime driver is doing the right thing for our learners.

Governors congratulated the LLW team on their commendation from AoC. They were delighted and have grown their provision by 50%.

Martin Sim proposed a thank you for staff to recognise the significant amount of work taken place especially under the stressful circumstances to shut the college for one day on Friday 26th October 2018. There are no students on site as it is half term week. It will not cost anything on teaching and learning and will boost staff morale. For staff paid on a daily rate or part time alternatives will be offered; no member of staff will be disadvantaged. Governors present unanimously AGREED this proposal.

14. Post Inspection Action Plan (PIAP)

Since the Ofsted visit in January the college has undergone a significant period of change. David Burns is leading on the PIAP.

Helpful key areas around progress setting, standardised assessments, TLA, pace, development, Apprenticeships etc. are reflected in the plan and feedback through our next Curriculum, Quality and Standards committee. With the arrival of the SCIF we will form a Performance Improvement Group (PIG) which will put rigour behind the plan because the CQS only meets three times a year.

15. Any Other Business

ESFA request for Legal Charge relating to Bute Street Car Park. Attached extract for issue.

Draft documentation covering the Legal Charge relating to the request from ESFA for a legal charge on Bute Street Car Park was RECEIVED. The Board REVIEWED and AGREED the tabled documentation. This will now be sent to the Secretary of State for comment and agreement, then returned. Once received this will be forwarded to all Members by the Clerk for ratification.

All members present AGREED for confirmation of approval to take place electronically through The Clerk to meet deadlines due to the short timetable of events and agreed documentation required for merger.

Through discussion Governors were advised that the Secretary of State will demand we follow due process with use of words to satisfy their working. The document has been directed through Eversheds to ensure clarity and lessen the risk of rejection which could put

our vesting date of 1st February 2019 at risk. Once the loan has been repaid the charge will be removed.

Action – Clerk to attach Extract Minute ratifying the Legal Charge on Bute Street once received.

16. Date and Time of Next Meeting

The next Meeting of the Board will take place on Tuesday 18th December 2018 at 6.30pm.
The meeting closed at 22.15.

Chair thanked members and staff for their work, patience and continuing support for Barnfield College and the learners of Luton.

Signed:



Peter Hill, Chair of the Board of Governors

18.12.2018

Date: _____