**Minutes of the Corporation**
**held on Thursday 6th July 2023 at 4.00pm**
**Matthew Boulton Campus and By Microsoft Teams**

**Birmingham Metropolitan College**

|  |  |
| --- | --- |
| **Present** | **Apologies** |
| Sir Dexter Hutt (DH) | Christine Tolley |
| Prof. Prue Huddleston (PH) | Hilary Smyth-Allen (HSA) |
| Helen Miles (HM)  | Julie Willis (JW) |
| Pat Carvalho (PC)  |  |
| Angela Myers (AM)  |  |
| Alaric Rae (AR)  |  |
| Peter Croom (PCR)  |  |
| Afzal Hussain (AH) |  |
| Sharon Isaacs (SI)  |  |
| Roy Priest (RP)  |  |
| Gobinder Gill (GG) |  |
| Ianthe Smith (IS) |  |
| Gary Turton (GT)  |  |
| **In attendance** |  |
| Stephen Belling (SB) |  |
| Simon Eaton (SE) |  |
| Anna Jackson (AJ) |  |
| Fiona Yardley (FY) |  |

| **Reference** | **Agenda item** |
| --- | --- |
|  | **Welcome**  |
|  | DH welcomed all present to the meeting.  |
|  | **Notice and Quorum** |
|  | The chair reported that proper notice of the meeting had been given and quorum being present in accordance with the Instrument of Government (“Instrument”) and the Articles of Government of the College ( Articles ) the Chair declared the meeting open. |
|  | **Declarations of Interest** |
|  | Each Member present had prior to the meeting confirmed that they had no interest which they were under a duty to disclose in accordance with clause 11 of the Instrument. |
| 1 (i) & (ii) | **Minutes of the meeting held on**  |
|  | The minutes of the meeting held on 30th March 2023 and the Strategy Day on 11th May 2023 were reviewed. **IT WAS RESOLVED THAT:** **C22/23: 65** **The minutes of the meeting held on 30th March 2023 be approved.****C22/23: 66****The minutes of the Strategy Day on 11th May 2023 be approved.** |
| 1(iii) | **Matters Arising and Action Log** |
|  | Progress made in respect of the actions was noted. |
| **2** | **Principal’s Report**  |
|  | DH noted the comprehensive content of the Principal’s Update Report and invited Governors questions. **Governors Observations and Questions**1. ***How was the full staff conference on one site? (DH)***

AM advised that the range of speakers and focus areas was good.PH observed group sizes made participation in workshops challenging.GG observed that a focus on Ofsted requirements was successfully integrated into the day.1. ***How were the Student Awards at Aston Villa? (DH)***

RP advised that the event had gone well and that the citations from students had been particularly good.1. ***How have matters progressed regarding the incident at Sutton published on social media? (GG)***

PC advised that the investigation had been concluded and appropriate action had been taken. A follow up meeting had been scheduled with members of Birmingham’s Faith leaders Group, the City Council, and the Police to share the outcome of the process and provide assurance that due processes had been followed. 1. ***Is there a need to further review the use of IT and social media? (DH)***

PC advised that the policies were in place to manage the misuse of IT and social media but the Tutorial process was being used to re-emphasise policy content and rationale for it. 1. ***How are growth aspirations being nurtured at James Watt? (AR)***

PC advised that development plans had been created by the Vice Principal and that a full report would be provided to Corporation at its meeting in October. **IT WAS RESOLVED THAT****C22/23/ 67** **Ben Gamble and Syma Hassan be thanked for their work in relation to the staff conference.** **C22/33 68****Jason Allen be thanked for his work in relation to the student awards event.**  |
| **3** | **KPI Report** |
|  | SE presented the KPI report provided in the Corporation pack and invited Governors questions and observations. **Governors’ Question and Observations**1. ***Are the levels of additional hours provided by some members of staff remaining within an acceptable work life balance level? (AR)***

SE advised that this was the first month where staff utilisation had exceeded the 100% target; the excess related to the need to cover staff absences in particular areas; and that the matter was being kept under review. 1. ***Is recruitment taking place where needed so as not to create a reliance on staff doing overtime? (DH)***

SE advised that the matter is being kept under review and recruitment is taking place where necessary. 1. ***Is there a link between staff sickness and areas where additional hours are required? (RP)***

SE advised that data did not provide that level of detail and that the matter would be investigated further. 1. ***It is worth considering whether there is a link between staff absence and student attendance (GT)***
2. ***Is there a system of cover? (AM)***

PC advised that a system does not exist at the moment but proposals are currently being discussed with staff unions. **C22/23 69****IT WAS RESOLVED THAT****The content of the KPI report be noted.**  |
| 4 | Single Improvement Plan |
|  | AJ introduced the report provided in respect of the Single Improvement Plan and confirmed that implementation was on track. No questions were raised. **C22/23 70****IT WAS RESOLVED THAT****The content of the Single Improvement Plan Report be noted.**  |
| 5 | ESFA Loan : Background  |
|  | The Chief Finance Officer reported to the meeting that it is proposed that the College enter into an additional Loan Agreement (“**the Agreement**”) with the Secretary of State for Education (“**Secretary of State**”). The Chief Finance Officer further reported that:* The Agreement was the outcome of negotiations with the Education and Skills Funding Agency to review its debt serving arrangements.
* The key agreements to be contained in the Agreement would be that:
	+ a new £3.24 Million loan would be entered into with the Secretary of State to buy out the debt currently due to Barclays Bank and Lloyds Bank.
	+ There would be a single covenant of 110% debt cover with capital expenditure excluded from the calculation.
	+ A charge would be entered into in relation to the Erdington Skills Centre.
	+ The main terms and conditions, warranties and requirements would mirror those agreed in relation to the existing loan agreement with the Secretary of State
	+ The costs and cashflows would be as set out in the table below:

| **Year** | **Cost £M** |
| --- | --- |
| FY 23 | 1,315 |
| FY 25 | 1,265 |
| FY 26 | 1,216 |
| FY 27 | 1,192 |
| FY 28 | 1,115 |
| FY 29 | 1,065 |
| FY 30 | 703 |
| FY 31 | 0 |
| TOTAL  | 7,871 |

 |
|  | Purpose of Meeting  |
|  | The Chair reported that the College must consider the proposed terms of agreement at the meeting and, in particular, it was noted that the Members had a duty to promote the success of the College (in relation to the Agreement and generally). |
|  | Consideration of the terms of Agreement  |
|  | The College considered in detail the proposed terms of agreement and the risks to the College in entering into that Agreement, notably the obligations similar to those in relation to the existing Loan agreement in place with the Secretary of State. It was noted that the terms of agreement would contain representations and warranties, which at completion of the Agreement must be correct and there must be no Event of Default as would be defined in the final form of Agreement. **Governors’ Questions and Observations**1. ***Is there any flexibility in the Agreement allowing the college to overpay? (AR)***

SE-advised that overpayment was possible but at this point would not be an action that would benefit the college. If at a future point overpayment would benefit the college it would be possible to negotiate with the ESFA.PC advised of the need to take account of the expected increase in energy costs of £800K and the limited capital budget for the next academic year of £600K. 1. ***Where would future financing come from if required? (HM)***

SE advised that future borrowings would be from the Department for Education. After due and careful consideration, bearing in mind the College’s duty to promote the success of the College.**C22/23: 71****IT WAS RESOLVED THAT the Agreement should be entered into on condition that: -** * **representation and warranties in the agreement are correct;**
* **there are no known events of default;**
* **that the College is in a position to meet its obligations when due;**
* **that the benefits of entering into the Agreement are substantial; and**
* **that it was in the best interests of the College, and in furtherance of its charitable aims, to enter into the Agreement.**
 |
|  | Authority to Execute the Agreement  |
|  | **ACCORDINGLY****C22/23 72** **IT WAS RESOLVED** that:1. the College, in good faith and for the purpose of carrying on its business, enter into the Agreement and perform its obligations and exercise its rights in relation to Agreement;
2. the following officers of the College (each an "**Authorised Signatory**" and together the "**Authorised Signatories**") be authorised to sign on behalf of the College the Agreement and return the signed counterparts to the counterparties to each document:

|  |  |  |
| --- | --- | --- |
| **Name** |  | **Specimen Signature** |
| Peter Croom  |  |  |

1. the terms of, and the security contemplated by the Agreement be and are hereby approved, together with the terms of all ancillary or supplemental documents, certificates or statements as considered in or contemplated by the Documents (the "**Ancillary Documents**");
2. the College's entry into, execution, delivery and performance of the Agreement be approved;
3. any Authorised Signatory, for and on behalf of the College, be authorised to sign on behalf of the College such of the Agreement (and Ancillary Documents) as are not required to be executed as deeds;
4. the Authorised Signatories, for and on behalf of the College, be and are hereby authorised to execute such of the Agreement and Ancillary Documents that are required to be executed as deeds by applying the College's seal attested by the signature of two Authorised Signatories (where applicable);
5. the Chair to arrange for all necessary matters arising in connection with the business of the meeting to be dealt with and, in particular, will attend to all relevant filings.
 |
|  | **Barclays Bank Loan Agreement**  |
|  | £2,907,695.84 Term Loan Facility provided by Barclays Bank UK PLC (the “Bank”) to the Borrower pursuant to a facility agreement dated 3 October 2016 (as amended, varied or restated from time to time) (the “Fixed Rate Loan”).On 1st April 2018, Barclays Bank PLC was substituted by Barclays Bank UK PLC (“Barclays,” “we”, or “us”) as Bank under the Facility Agreement pursuant to or in connection with a ring fencing transfer scheme ordered pursuant to Part 7 of the Financial Services and Markets Act 2000 (as amended).There was produced to the meeting details of the indicative fixed rate breakage costs (the “**Indicative Breakage Costs**”) as set out in the Live Termination Indicative Breakage Cost (or Gain) Information Sheet dated 3 July 2023 (the “**Live Termination Indicative Breakage Cost (or Gain) Information Sheet**”) relating to the termination of the fixed rate applicable to the Fixed Rate Loan (the “**Fixed Rate**”).It was acknowledged and understood by the Borrower, that whilst the Borrower has been provided with the Indicative Breakage Costs, these are indicative only and are subject to fluctuations in line with market conditions current from time to time and the actual amount of breakage costs or gains arising in connection with the early termination of the Fixed Rate can only be determined at the point at which the Fixed Rate is actually terminated.Having carefully considered the Indicative Breakage Costs, all other information contained in the **Live Termination Indicative Breakage Cost (or Gain) Information Sheet** and any associated risks and costs (actual or potential),**C22/23 73** **IT WAS RESOLVED:**1. that termination of the Fixed Rate and prepayment of the Fixed Rate Loan (including any associated risks) is in the interests of and for the benefit of the Borrower and is most likely to promote the success of the Borrower for the benefit of the members as a whole and that termination of the Fixed Rate and prepayment of the Fixed Rate Loan be approved and accepted;2. that the Borrower has considered whether it needs to obtain professional independent advice (legal, financial or otherwise), prior to resolving to terminate the Fixed Rate and prepay the Fixed Rate Loan (whether on the basis of such advice or otherwise) and it has made its own independent decision to terminate the Fixed Rate and prepay the Fixed Rate Loan and understands the risks involved including, without limitation, that the actual amount of breakage costs or gains arising in connection with the early termination of the Fixed Rate are likely to be different to the Indicative Breakage Costs set out in the **Live Termination Indicative Breakage Cost (or Gain) Information Sheet**;3. that all costs, fees or other amounts payable in connection with the termination of the Fixed Rate and prepayment of the Fixed Rate Loan, including, without limitation, the fixed rate breakage costs will be payable by the Borrower and are acknowledged, approved and accepted;4. that a prepayment notice be sent to the Bank confirming the Borrower’s intention to prepay the Fixed Rate Loan (the “**Prepayment Notice**”) with effect from the termination of the Fixed Rate;5. that Simon Eaton is irrevocably authorised to verbally confirm on behalf of the Borrower: 1. that the Borrower agrees the sum of the fixed rate breakage costs (or gains) associated with the termination of the Fixed Rate;
2. that the Borrower instructs the Bank to terminate the Fixed Rate; and
3. that the Borrower instructs the Bank to prepay the Fixed Rate Loan comprising the fixed rate breakage costs (or gains) and the loan repayment amount

on a telephone call with the Bank and the Borrower acknowledges and agrees that such verbal confirmations shall be legally binding on the Borrower and shall be effective from the point at which such verbal confirmations are given;6. that either of the persons named in paragraph 5 above is permitted to acknowledge the terms of the call referred to in paragraph 5. above, by replying to an email and any associated documentation received from the Bank setting out the details of the call, including but not limited to the breakage costs or gains (as applicable); 7. that termination of the Fixed Rate and prepayment of the Fixed Rate Loan as set out in paragraph 5 above, is in accordance with any requirements applicable to the Borrower pursuant to its constitutional documents and/or rules; and8. that the Bank is authorised to act in all matters concerning the termination of the Fixed Rate and prepayment of the Fixed Rate Loan upon instruction from either of the persons named in paragraph 5 above, or the Borrower, in its capacity as borrower under the Facility Agreement, signed in accordance with the Bank’s mandate for any of the accounts of the Borrower held and current from time to time. |
|  | **No Breach**  |
|  | The Chair reminded the Members that all transactions must be to further the College's charitable purposes, and that the members of the College have the powers under section 19 of the Further and Higher Education Act 2011 to enter into the documents presented at this meeting.The meeting reported that the authorisation of the execution and delivery of the Agreement (as defined above) and any documents ancillary to those, by the Members would not be a breach of the powers delegated to the Members in accordance with the Instrument and Articles.It was also reported that neither the execution and delivery of the Agreement and any documents ancillary to those, by the College nor the performance of the College's obligations thereunder would breach or would result in any breach of any obligation or restriction imposed by the Instrument and Articles or any other agreement or instrument to which the College is a party or which is otherwise binding upon it |
| **6** | **2023 2024 Subcontracting Report**  |
|  | SB presented the 2023 2024 Subcontracting Report in the Corporation Pack and advised: * the report followed on from the Corporation’s consideration of possible contracts for 2023 2024 at its strategy day on 11th May 2023.
* Permitted justifications for Subcontracting were to:
1. Enhance the opportunities available to learners.
2. Fill gaps in niche or expert provision or provide better access to training facilities.
3. Support better geographical access for learners.
4. Support an entry point for disadvantaged groups.
5. Support individuals who share protected characteristics, where there might otherwise be gaps.
* The table below summarised the subcontracting arrangements requiring Corporation approval for the next academic year.

|  | **Rationale** | **Content** | **Expected maximum contract value** | **Growth position** |
| --- | --- | --- | --- | --- |
|  |  | **ESFA – AEB**  |
| Successful Tenderer | 1 and 2  | Coaching services to complement provision provided by the college | 49,000 | Grow  |
| Successful tenderer | 1 and 2  | Coaching services to complement provision provided by the college | 42,000 | Maintain/ Grow   |
| Successful tenderer  | 1 and 2   | Coaching services to complement provision provided by the college | 23,000 | Maintain/ Grow  |
|  |  | AEB- Apprenticeship  |
| Skern Lodge  | 1 and  2   | 1 week team building courses | 55,000 | Maintain  |
| BCU  | 1 and 2  | Final year of engineering degree | 120,000 | Maintain  |
|  |  | WMCA   |
| INFRA Skills Limited    | 1 and 2  | Additional professional qualifications required to secure employment in the rail industry  | 145,800 | Maintain  |
| Skills Network   | 1, 2 and 3  | On line feeder courses to complement our provision and create pathways for future provision  | 120,000 | Reducing   |
| UHB SWAP  | 1 and 2  | Practical experience offered by the hospital as part of a SWAP to prepare learners for the work place.  | 108,000 | WMCA Approved \* Maintaining  |
| Skills for Security  | 1 and 2 | Additional Professional qualifications to secure employment in the security industry  | 18,563 | Growing  |
| Aim Apprenticeships Limited    | 1  | Specialist learner find services approved by the WMCA  | 11,347.50 | Growing  |

**C22/23 74** **IT WAS RESOLVED THAT** **The Corporation be authorised to enter into subcontracting agreements in accordance with the table below**.

|  | **Rationale** | **Content** | **Expected maximum contract value** |
| --- | --- | --- | --- |
|  |  | **ESFA – AEB**  |
| Successful Tenderer | 1 and 2  | Coaching services to complement provision provided by the college | 49,000 |
| Successful tenderer | 1 and 2  | Coaching services to complement provision provided by the college | 42,000 |
| Successful tenderer  | 1 and 2   | Coaching services to complement provision provided by the college | 23,000 |
|  |  | AEB- Apprenticeship  |
| Skern Lodge  | 1 and  2   | 1 week team building courses | 55,000 |
| BCU  | 1 and 2  | Final year of engineering degree | 120,000 |
|  |  | WMCA   |
| INFRA Skills Limited    | 1 and 2  | Additional professional qualifications required to secure employment in the rail industry  | 145,800 |
| Skills Network   | 1, 2 and 3  | On line feeder courses to complement our provision and create pathways for future provision  | 120,000 |
| UHB SWAP  | 1 and 2  | Practical experience offered by the hospital as part of a SWAP to prepare learners for the work place.  | 108,000 |
| Skills for Security  | 1 and 2 | Additional Professional qualifications to secure employment in the security industry  | 18,563 |

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| **7** | **ASQD Committee Update** |
|  | PH referred to the ASQD Update report in the Corporation Pack and emphasised the following:* The committee’s Deep Dive assured committee that EHCP reviews were being done in a timely manner and that external support was ongoing.
* Work done to develop the college’s teaching and learning strategy was having a positive impact and is on- going.

 * The Higher Education Strategy is robust , focusses on the right strategic areas, has a clear unique selling proposition for the college and does not seek to compete with neighbouring institutions. It will be necessary to monitor progress.
* Committee were satisfied that delays in marking in some areas had now been addressed.
* Student attendance continues to be monitored carefully and appropriately.
* A detailed report assured Committee the college had a sound approach to managing students’ mental health and well-being and responsibilities were set out clearly.

 * A plan of action had been prepared to address priorities in the Autumn term.
* The Committees Terms of Reference were commended for ongoing use during the next academic year.

**Governors’ Observations and Questions**1. DH conveyed thanks to the Committee for its work during the academic year.
2. DH thanked AM for her work as the Board’s Safeguarding lead during the academic year.

**IT WAS RESOLVED THAT** **C22/23: 75****Key Points in the ASQD Update Report be noted.** **C22/23: 76****The existing ASQD Committee Terms of Reference be approved for ongoing use during the next academic year.**   |
| **8** | **Finance Committee Update** |
|  | PCR referred to the Finance Committee Update report in the Corporation Pack and emphasised the following: * The April Management accounts evidenced a sound financial position and the overall college finances would be classified as good if the current banking covenants had not been breached.
* Income deficit expected is expected to close at £1.3m.
* An overall surplus is forecast making an additional pay award feasible.
* The 2023/2024 budget has been prepared in a context of greater certainty than has been the case in recent history.
* The Further Education Transformation Fund Project was on track for completion in November 2024.
* Committee were commending proposed updates to:
	+ the Supply Chain Policy; and
	+ The Treasury Management Policy updated.

**Governors’ Observations and Questions** 1. DH conveyed thanks to the Committee for its work during the academic year.

**IT WAS RESOLVED THAT** **C22/23: 77****The April Management accounts be noted.** **C22/23: 78****Key points in the Finance Committee Update Report be noted.****C22/23: 79****The proposed Subcontracting and Supply Chain Policy be approved.** **C22/23: 80** **The proposed Treasury Management Policy be approved.** **C22/23 81****The Finance Committee’s Terms of Reference be approved for continued use during the 2023/24 academic year.**  |
| **9** | **Audit Committee Update** |
|  | HM referred to the Audit Committee Update report in the Corporation Pack and emphasised the following: * Audit Committee were assured that health and safety practices are working well in practice.
* An increase in the number of students with medical needs had led to the need for an Administration of Medicine Policy.
* A recent fire service awareness inspection had resulted in a positive assessment.
* Committee had enquired on the impact of vaping in the college and how risks associated with the practice were being addressed.
* Committee had commended to staff that the new Crises Management Plan was tested and a feedback report has been requested.
* Committee has requested that the contract compliance testing process is further reviewed to distinguish between minor non- compliance and matters which would be regarded as redline issues.
* Internal audit reports in relation to Key financial controls, IT Digital and Capital Planning and Investment framework . IT security and general follow up provided good levels of assurance.
* The newly appointed external auditors presented their work plan for the current academic year.
* No matters of whistle blowing or fraud were reported for the current academic year.
* Committee commended ongoing use of the current terms of reference for the next academic year.

**Governors’ Questions and Observations**1. ***How are the new internal auditors performing? (PH)***

HM advised that reports provide helpful background, refer to sector comparators, are salient and balanced. 1. DH noted an increased focus on risk and thanked the Committee for its work during the academic year.

**IT WAS RESOLVED THAT****C 22-23: 82** **The content of the Autumn Health and Safety Report be noted.****22/23: 83****The content of the Contract Compliance Report be noted.** **C22/23 84****Key points in the Audit Committee Update Report be noted.****C 22/23 : 85** **The Audit Committee’s Terms of Reference be approved for continued use during the 2023/24 academic year.** |
| **10** | **Remuneration Committee Update** |
|  | SB referred to the Remuneration Committee’s Update report in the Corporation Board Pack and advised the committee were commending: -* Recommendations considered by the board in private and confidential minutes.
* Amendments to the Remuneration Committee’s terms of reference to reduce the requirement to meet twice a year to once.

**IT WAS RESOLVED THAT****C22/23 86****The proposed amendments to the Remuneration Committee’s Terms of Reference be approved.**  |
| **11** | **Governance and Search Committee Update** |
|  | SB referred to the Governance and Search Committee’s report in the Corporation Board Pack and advised committee were commending: - * One amendment to the Governor Recruitment Policy.
* Two amendments to the Standing Orders.
* No changes to the current Scheme of Delegations.
* No changes to the Instrument and Articles of Association.
* One amendment to the Governance and Search Committees Terms of Reference.
* A scheme to allow potential Governors to take on a 12- 24 month role involving a link to a college team and one of the Committees in advance of being a Governor.
* Use of the AoC Best practice documentation for Governors annual 1-1 appraisal and the Chair’s annual appraisal.
* Further Governors training in relation to Managing Public Money Requirements, the new Risk assurance framework, ongoing safeguarding and Prevent Duties and the local community infrastructure.

**IT WAS RESOLVED THAT****C 22/23 87****Proposed changes to the Governor Recruitment Policy be approved.** **C22/23 88****Proposed amendments to the Standing Orders be approved.** **C 22/22 89****The current Scheme of Delegations be approved for continued use.****C 22/23 90** **The current Instrument and Articles of Association be approved for continued use.****C22/23 91****Proposed amendments to the Governance and Search Committees Terms of Reference be approved.** **C22/23 92****A scheme to allow potential Governors to take on a 12- 24-month role involving a link to a college team and one of the Committees in advance of being a Governor be approved.****C22/23 93** **Use of the AoC Best practice documentation for Governors annual 1-1 appraisal and the Chair’s annual appraisal be approved.****C22/23 94** **Further Governors training be provided in relation to Managing Public Money Requirements, the new Risk assurance framework, ongoing safeguarding and Prevent Duties and the local community infrastructure.** |
|  | **Managing Public Money Review**  |
|  | SE presented the Managing Public Money Update Report on the Corporation Board Pack and advised : - * The Finance Agreement with the ESFA was being entered into with the support of the Department of Education and therefore not considered to be a novel and/ or contention transaction; and
* it was proposed that the Financial Regulations be amended to take account of the Managing Public Money Rules.

**C 22/ 23 95** **IT WAS RESOLVED THAT** **The financial Regulations be amended to take account of the Managing Public Money rules.**  |
| **Item 13** | **Any Other Business**  |
|  | DH thanked GG for his time in office as staff Governor. There being no other business the meeting was closed at 6.00pm.Signed Chair- Sir Dexter Hutt |