

Meeting: Part A Corporation Meeting

Date: 05 December 2017

Venue: Orpington Campus

Present: Stephen Howlett (Chair), Frank Toop, Sam Parrett, Nicholas Bennett, Marek Michalski, Charles Yates, Katy Woolcott, Peter Absalom, Angela Hands, Kath Clark, Alan Carey, David Eastgate, Penny Bance, JT, Barry Spencer and James Jefferies.
Jon Allen, Andrew Slade, John Hunt

In Attendance:

1	<p>Apologies for Absence Apologies had been received from Mark Burnett, Daniel Goodwin and Stephen Brain</p>	
2	<p>Declaration of Interests Against Agenda Items There were no declared interests against any of the agenda items.</p>	
3	<p>Chair Introductory Remarks</p> <p>The Chair welcomed the new staff governor Barry Spencer to his first meeting, and also the Student governor, James Jefferies.</p> <p>The Chair made the observation that the assumption will be made that governors have read the papers and therefore would be seeking clarification on any issues rather than presenters going through their reports in detail.</p>	
4	<p>Minutes The minutes of the Corporation meeting held 10 October 2017 were approved.</p>	
5	<p>Actions Log and Matters Arising The Action Log was received providing updates on all outstanding action points from previous meetings.</p> <p>It was RESOLVED to note the Actions Log and the progress made on the implementation of the various action points.</p>	
6	<p>Staff and Student Governor Appointments It was RESOLVED to approve the appointment of Barry Spencer to be the staff governor for the period 05 December 2017 to 04 December 2021.</p> <p>It was RESOLVED to approve the appointment of James Jefferies to be the student governor for the academic year 2017-18.</p>	
7	<p>Principal's Report The Principal's report provided the Corporation with a progress update on key strategic matters since the last meeting. The Principal confirmed that agenda items at this meeting would provide governors with more detail over and above her report.</p>	

	<p>Circulated for information purposes was the new approach being taken on the publication of the College's prospectus. The Board agreed this was a creative and innovative approach being taken by the College.</p> <p>Although it appears that the funding for the London Aerospace Technology College, in partnership with Biggin Airport, has been approved, the Principal informed the Board that the Leader of Bromley Council has stated that the £1.2m contribution from the Council is now to be a loan, which the College cannot afford as it would increase the debt level for the College. A discussion took place as to how best to proceed. The Principal confirmed that alternative stakeholders are being approached to see if they would be willing to contribute. It was also agreed to lobby Bromley Council Cabinet Members. A progress update would be made available at the next meeting.</p> <p>In addition to the funding application for the London Aerospace Technology College, the Principal's report highlighted a number of other fund applications that are currently being pursued. These included:</p> <ul style="list-style-type: none"> ➤ Skills for Londoners Development Fund: Place and Making Institute ➤ Skills for Londoners Development Fund: New LSEC Greenwich Campus ➤ Skills for Londoners Small Project and Equipment Fund Application <p>It was RESOLVED to note the Principal's Report.</p>	SP
8	<p>Performance Scorecard Exceptions Report</p> <p>This report provided a high-level commentary on progress, key risks and mitigating actions in relation to the College Strategic Goals and the related key performance indicators (KPIs) for 2017/18.</p> <p>It was confirmed the KPI document will be further refined this year from feedback from the Governors and the Senior Leadership Team. This includes Higher Education (HE) Attendance and Retention, progression to HE programmes from other LSEC programmes, Staff Attainment of Higher Education Authority fellowships, a review of the Equality and Diversity measures and Health and Safety. Some of these measures will relate to either the corporation dashboard, its sub-committees or SLT.</p> <p>It was also confirmed an in-year trajectory (bar line) will be provided from the next Corporation meeting once the College has two meetings' worth of data.</p> <p>In terms of areas of concern, 'Red' assessments were recorded against three specific income streams and it was confirmed that the Finance Committee continues to monitor financial performance against funding contracts. The Finance Committee would also be keeping under review the 'Amber' assessments made on other areas of financial performance. As recorded in the Finance Committee minutes (a later agenda item), potentially there is a shortfall in income of £1.4m for 2017-18 and the monitoring of income performance is a key priority for the Finance Committee.</p> <p>'Amber' assessments were record against a number of curriculum and quality areas. In particular, two key areas were FE attendance and work experience participation. It was confirmed that the Curriculum & Quality Committee is</p>	SLT

	reviewing performance against targets for these two critical areas.	
9	<p>Governance Review Update</p> <p>The Clerk thanked all governors for their participation in the governance review and for making themselves available to conduct one-to-one interviews with the consultant and Clerk. All but one governor participated in the interviews.</p> <p>The Clerk confirmed a report will be drafted that will summarise the points made during the interviews highlighting any particular concerns or issues raised. It will describe the two illustrative models in more detail and recommend a preferred model and its component parts, and the reasons why. It will set out a draft implementation plan including the timetable for introducing the new model, the tools and processes needed to support, and a team development programme for the new board.</p> <p>The report will include suggestions for board membership and will identify where there is a need to recruit additional skills.</p> <p>It was RESOLVED to note the update.</p>	
10	<p>College Self-Assessment Report 2016-17 (SAR) and Quality Improvement Plan 2017-18 (QIP)</p> <p>Accompanying the SAR was the Quality Improvement Plan 2017-18 that outlined the actions to be taken to address areas for improvement identified in the SAR.</p> <p>The judgment on 'Overall Effectiveness' is that LSEC is a Good (Grade 2) College with some outstanding features and a small minority of areas in need of improvement. The other key categories of leadership and management; quality of teaching, learning and assessment; personal development, behaviour and welfare; and student outcomes, were all judged to be Good' (Grade 2).</p> <p>By types provision, the following 'Overall Effectiveness' grade profile was proposed:</p> <p>16-19 Study: Good (Grade 2) Adults: Good (Grade 2) Apprenticeships: Good (Grade 2) High Needs: Outstanding (Grade 1) 14-16: Good (Grade 2)</p> <p>The following key strengths of the College were noted:</p> <ul style="list-style-type: none"> • Highly successful strategic and operational leadership and management for the merged college has further improved the standards of teaching, learning and assessment which has led to a sustained 3-year achievement improvement trend. • Leaders and managers have taken highly effective actions through robust quality assurance procedures to ensure consistency of provision, raise the quality and outcomes for learners in the newly merged organisation. • LSEC's ambitious and forward thinking leadership team and 	

	<p>governors ensure that there are effective and well developed links with employers which are shaping a well- planned and wide ranging curriculum offer is playing a key role in the local and regional social and economic development.</p> <ul style="list-style-type: none"> • Learner achievement for 16-18 year olds and adults are good and improving with achievement rates above the National Rates. • Apprenticeship overall and timely achievement have significantly improved and are both above National Rate. • Staff at all levels focus on learners' developing good industry skills to make sure they are equipped for taking their next steps and meeting local and national needs. • Staffs' relentless encouragement and high expectations leads to learners who are ambitious about their future and achieve well. • Leaders, managers and teachers' use their professional experience very effectively to ensure that learners achieve high levels of industry standard skills, knowledge and understanding which enables them to secure positive destinations. • Learners are extremely well supported to achieve; through a range of personalised measures that successfully enable them to overcome barriers to learning and achieve. • The vast majority of learners and apprentices respond very well to the high expectations that staff set, acquire a very positive attitude to learning, show high standards of behaviour and produce work to a very good standard. • The College is particularly successful in empowering learners to overcome barriers to learning and rebuild their confidence to achieve successful outcomes. <p>To further improve, the College has to:</p> <ul style="list-style-type: none"> • Performance in a small minority of curriculum areas where operational management is not bringing about improvement at sufficient pace and teaching, learning and assessment need improvement. • English and maths 9:4 outcomes, through improving the quality of teaching, learning and assessment. • Target setting in a small number of curriculum areas where it is not sufficiently personalised or challenging. • Work experience opportunities for all study programme learners which are under developed with too few learners benefiting from external work experience. • 16-18 year old achievement on subcontracted and off site provision, particularly English and maths. <p>Following a through review, it was RESOLVED to approve the College Self Assessment Report 2016-17 and the Quality Improvement Plan 2017-18.</p>	
11	<p>Higher Education Quality Assurance Report</p> <p>This report and accompanying action plan relates to the continuous improvement of the Higher Education (HE) student academic experience and student outcomes. This includes evidence from the formal review processes for the HE Awarding Organisations – Canterbury Christ Church University, University of Greenwich and Pearson. The report has been</p>	

	<p>through an internal validation process involving students and the Quality Team.</p> <p>The report evidenced that London South East Colleges (LSEC) Higher Education provision '<i>Meets Requirements</i>' of the Quality Assurance Agency Code of Practice and is now considered to be an '<i>Established Provider</i>'.</p> <p>It was RESOLVED to note the Higher Education Quality Assurance Report.</p>	
12	<p>Single Equality Scheme</p> <p>It was confirmed the Equality & Diversity Report and draft Single Equality Scheme (SES) were reviewed in detail at the Curriculum & Quality Committee meeting held on 7 November 2017.</p> <p>Since then, Dr. Christine Rose, external consultant, has reviewed the draft SES to ensure that it is comprehensive and in line with best practice. In particular, Dr. Rose focused on the equality objectives to ensure they are SMART and targeted on the most critical areas for development. The review of the draft SES has resulted in a number of recommendations, including a reduction in the number of equality objectives, which have been incorporated in the final draft of the Single Equality Scheme 2017-2021.</p> <p>Governors noted the following key points:</p> <ul style="list-style-type: none"> • The SMART Equality Objectives are set for 4 years but will be reviewed annually • A detailed 4-year action plan with yearly targets will outline the action to be taken to achieve the equality objectives. The action plan incorporates some of the activities that were originally identified as draft equality objectives. • It is a legal requirement to publish specific and measurable equality objectives together with staff and student equality information. • The annual Equality and Diversity Report will include details of progress made toward achieving the equality objectives. Progress made will be published on the College's website. • A table mapping the equality objectives against the College's strategic objectives, the arms of Public Sector Equality Duty and the protected characteristics under the Equality Act 2010 are included in the SES. • Key policies, procedures, strategies and initiatives will be assessed regularly for equality impact and for opportunities to eliminate negative impact and advance equality. A summary of EIAs undertaken each year will be published in the annual report. • Equality and diversity is a key aspect of Ofsted inspections and is evaluated within the following areas: leadership and management, quality of teaching, learning and assessment, personal development behavior and welfare and outcomes for learners. <p>It was RESOLVED to approve the Single Equality Scheme.</p>	
13	<p>Risk Management – Risk Register</p> <p>It was confirmed the Risk Register had been subject to extensive review by</p>	

	<p>the Audit Committee at its last meeting.</p> <p>Of the 40 risks currently identified on the risk register, 10 were regarded as 'High', 22 as 'Medium' and 8 as 'Low'. The Committee focused their discussions on the 'High' risks and noted the 'medium' risks.</p> <p>It was confirmed that many of the 'High' risks were also noted either as 'Red' or 'Amber' assessments in the earlier agenda item 'Performance Monitoring Exceptions Report'. In particular, a failure to achieve funded enrolment targets; to grow apprenticeship numbers, failure to improve English & maths; and learner attendance.</p> <p>It was RESOLVED to note the Risk Register and of the review conducted by the Audit Committee.</p>	
14	<p>Minutes of the Audit Committee meeting held 23 November 2017</p> <p>The minutes of the Audit Committee meeting held 23 November 2017 were noted.</p>	
15	<p>Audit Committee Annual Report on Bromley College 2016-17</p> <p>The following reports were received:</p> <ul style="list-style-type: none"> • Audit Committee Annual Report on Bromley College 2016-17 • Bromley College Financial Statements 2016-17 • Letters of Representation from the External Auditor • Post Audit Management Letter from the External Auditor • Regularity Questionnaire 2017 <p>It was confirmed the Audit Committee at its meeting held 23 November 2017 considered each of the reports in detail.</p> <p>The Financial Statements have been prepared on the assumption that the College will continue as a going concern. The following supports the rationale for this decision:</p> <ul style="list-style-type: none"> • As at 31 July 2017, the College held £4.96m of cash and short term deposits (2015/16: £4.74m) and invested £0.9m in buildings and equipment during the year. Loan finance increased from £5.9m to £10.3m at the end of the year as a consequence of the Exceptional Financial Support Loans for the merger with Greenwich Community College, and term loans inherited upon merger, net of repayments made during the year which included £0.6m in respect of historic term loans, and £1.9m to pay down the Bexley College term loan • The majority of the income streams for the year ahead are derived from grant funding and are largely secured. These include EFA and SFA funding grants, together with tuition fees paid by learners. • The College merged with Greenwich Community College and Bexley College on 01 August 2016 and, although the merged College will experience operating deficits for a number of year's post-merger, this position is forecast to improve each year and significant progress has already been made to reduce the inherited operating deficits. • The College reported a deficit for the year of £3.17m (2015/16: £0.47m) after and FRS102 pension adjustments of £2.05m, and the financial health score for the year is self-assessed as Satisfactory as expected following merger (2015/16: Good). 	

	<ul style="list-style-type: none"> • The College is forecast to accumulate additional cash balances each year, with cash reserves increasing by £2m in 2017/18 and at least £0.5m annually despite continued planned capital investment each year. • The College has secured a credit backed offer to continue to provide its term loan finance of £5.4m for the next five years. In addition, the College also has secured the offer of a £3m revolving credit facility for the next three years. <p>As a result of the above considerations, the senior management team reported to the Audit Committee that they are satisfied that the College is considered to be a going concern as at 31 July 2017.</p> <p>The following opinion from the Audit Committee was confirmed in the Audit Committee's Annual Report:</p> <p style="text-align: center;"><i>The Audit Committee, through review of auditors' reports and discussion with auditors and college managers, has arrived at the opinion that Bromley College has adequate and effective assurance frameworks, framework of governance, risk management and control processes for the effective use of resources, solvency of the institution and the safeguarding of its assets.</i></p> <p>It was RESOLVED:</p> <ul style="list-style-type: none"> (i) To approve the Financial Statements 2016-17 for Bromley College and to authorise the Chair and Chief Accounting Officer to sign the accounts; (ii) To approve the Annual Report on Bromley College from the Audit Committee on Bexley College; and (iii) To approve the Letters of Representation and to authorise the Chair to sign. 	
15	<p>Finance Committee Meeting held on 30 November 2017 The minutes of the Finance Committee meeting held on 30 November 2017 were received and NOTED.</p> <p>The Finance Committee reviewed the 'Bank Loan Tenders Report' and the Corporation noted that at this meeting the following was agreed by the Finance Committee:</p> <ul style="list-style-type: none"> (i) To note the Bank Loan tenders Report, that was considered by the Finance Committee, and to approve the recommendation from the Finance Committee to stay with Barclays Bank as the Colleges bank, subject to a review of legal documentation relating to the current College loans; (ii) To delegate the signing of the legal documentation to the Chair or Vice Chair of the Corporation and the Principal/CEO, subject to a short report on the final legal documentation being emailed to all Corporation members for their information. <p>It was noted at this meeting that the Corporation would be asked to approve specific resolutions regarding the bank legal documentation and the College and Bank lawyers were currently drafting these. Once agreed by</p>	

	<p>the lawyers, these will be made available to Board Members either in advance of the meeting on 05 December or at the meeting on 05 December.</p> <p>Made available to the Corporation was the required specific resolution as drafted by the Bank lawyers.</p> <p>It was RESOLVED to approve the minutes and to add them as an Annexure to the Corporation minutes.</p>	
16	<p>Curriculum & Quality Committee meeting held on 07 November 2017 The minutes of the Curriculum & Quality Committee meeting held on 07 November 2017 were received and NOTED.</p>	
17	<p>Any Other Business There was no other business.</p>	
18	<p>Date of Next Meeting Tuesday 20 February 2018 at 17.30 in G56 at the Bromley campus.</p>	

Signature of Chair: _____



Date: _____

20/3/18

Annexure to the Minutes of the Corporation meeting held on 5 December 2017 at Orpington Campus

The Chair explained that, the Corporation is seeking to refinance its banking facilities as minuted in the Finance Committee meeting held on 30 November 2017 (the "**FC Meeting**"). At present the Corporation has facilities with Barclays Bank PLC (the "**Bank**") pursuant to:

1. a term loan facility agreement made between (1) the Corporation and (2) the Bank dated 14 October 2016 ("**Term Loan**"); and
2. a revolving credit facility agreement made between (1) the Corporation and (2) the Bank dated 14 October 2016 ("**RCF**").

The revised commercial terms and conditions of the proposed financing with the Bank are set out in the term sheet dated 27 November 2017 (the "**Term Sheet**") which was tabled at the meeting. An option to convert the existing floating rate of interest into a fixed interest rate in the future is in consideration.

The Chair further reported that the Corporation has existing banking facilities with the Allied Irish Bank ("**AIB**") pursuant to the amendment and restatement agreement dated 31 March 2009 (as subsequently amended by a variation letter dated 10 December 2009) made between (1) the Corporation and (2) AIB and secured by way of a legal charge dated 31 July 2006 in favour of AIB over the freehold property being Bromley Corporation (the "**AIB Security**"). The Corporation intends to repay AIB in full on or before March 2018 following which the AIB Security will be released and AIB would executed a deed of release in respect thereof ("**Deed of Release**").

In addition to the funding from the Bank and AIB, the Corporation received funding from the Department for Education ("**DfE**") by way of a secured loan facility. As such the Bank, AIB, the Corporation and the DfE entered into an intercreditor deed on 15 February 2017 ("**Intercreditor Deed**"). This existing Intercreditor Deed will be amended and restated by an amendment and restatement agreement in order to reflect the revised funding structure.

In order to complete the refinance with the Bank the following documents would be entered into:

1. An amendment and restatement agreement amending and restating the terms of the RCF;
2. An amendment and restatement agreement amending and restating the terms of the Term Loan;
and
3. An amendment and restatement agreement amending and restating the terms of the Intercreditor Deed

(together the "**Finance Documents**").

It was noted that the Finance Committee resolved to 'approve the recommendation from the Finance Committee to stay with Barclays Bank as the Corporations' bank and to 'delegate the signing of the legal documentation to the Chair of the Corporation and the Principal/CEO'.

Following review of the Term Sheet and consideration of the Finance Documents and the Deed of Release, it was **RESOLVED**:

- (i) that any of the Chair of the Corporation, Vice Chair of the Corporation, Principal, Deputy Principal and Deputy CEO be and is hereby authorised to agree (including without limitation amendments, modifications, variations and alterations) the form of and sign (or execute and deliver in the case of a deed by affixing the common seal of the Corporation in the presence of a two witnesses or otherwise in the manner required by the Corporation's constitutional documents from time to time) the Finance Documents and Deed of Release and any other documents ancillary to, or to be entered into by the Corporation in connection with, the Finance Documents and the Deed of Release (the "Ancillary Documents") on behalf of the Corporation (subject to such as those signing the same on behalf of the Corporation think fit);
- (ii) to approve the Corporation entering into the final form of the Finance Documents and Deed of Release and any Ancillary Documents.

Signature of Chair: 

Date: 20/3/18