



Brooke House Sixth Form College

Minutes of a meeting of the Corporation held in the College Hub on 18 March 2021 at 1730 hrs.

Present	Adam O'Brien	Jonathan Beake	Steven Blackshaw (Chair)
	Martin Buck	James Cross	Michael Desmond
	Annie Gammon	Sheridan Mangal	Adeshola Onakoya
	Sally Townsend	Kevin Watson (Principal)	
In Attendance	Ralph Devereux (Clerk)	Adrian Cottrell (VP(F&R))	Kishan Pithia (VP(SS))
	Mohanned Khabbaze (VP(C&Q))		

PART ONE

31/20 ELIGIBILITY, QUORUM, DECLARATION OF INTERESTS AND APOLOGIES

No notice had been received of any member becoming ineligible to hold office, the meeting was quorate and no interests were declared.

The information was received.

32/20 MINUTES OF AND ACTIONS FROM THE LAST MEETING

a. re Minute 16/20b. £700k was replaced with £750k. The minutes of the meeting held on 10 December 2020 were then confirmed for electronic signature; the Clerk to action. **(Action 1)** Confidential minutes would be considered in Part 2.

b. Actions from the last meeting had been completed.

See referenced minute for full detail.		resp	date
Action 1	14/20c. PAA to be contacted.	Clerk	wie
Action 2	15/20a. Last minutes (24.09.20) confirmed for signature.		
Action 3	16/20b. Overdraft limit to £700k.	VP(FR)	asap
Action 4	16/20b. Outcome from Bank to be circulated to FGP.		
Action 5	18/20b. "Going Concern" matters all agreed.	Chair	wie
Action 6	19/20a. AFS and Regularity Audit to be signed.		
Action 7	20/20a. Letter of Representation to be circulated.	VP(FR)	
Action 8	20/20b. Student issues noted by management.	VP(SS)	

c. There were no requests for urgent business.

The information was received.

Actions had been identified. (Table 39/20 below)

33/20 COMMITTEE MINUTES (UNCONFIRMED)

Each Committee Chair explained the minutes of recent meetings, all of which were attached, received and recommendations, detailed as appropriate, noted to inform later considerations:

a. Standards Committee (StC) Meetings (13.01.21, 11.02.21 & 18.03.21 (verbal)), monthly meetings, continued and there had been 4 since the last Corporation meeting. Strategic priorities continued to be the focus, there had been 2 substantially good Teaching and Learning (T&L) reports covering both live and on-line delivery, 2 excellent sessions had been completed with Tutors, who had attended the Committee meetings. Further information was contained in the attached Minutes; and

- b. Finance and General Purposes Committee (FGP) (21.01.21 & 15.03.21), there had been 2 meetings since the last Corporation meeting, the March one was so much better than February since confirmation had been received that growth funding of c£500k had been approved by the Education and Skills Funding Agency (ESFA). Further information was contained in the attached Minutes.

The information was noted and received.

34/20 PRINCIPAL'S REPORT

The Principal's Report was discussed, in particular:

- a. Reopening. The staged reopening from Monday 8 March had started with the resumption of A Level delivery and all students and classes were fully operating by Friday. Provision of Lateral flow tests (LFT) had been successful with an 85% take up rate and a progressive move to home testing was underway. Rewarding discussions with Trades Union and other representatives continued and details were provided of the few extremely vulnerable and shielding colleagues.
- b. T&L. Focus on core business had continued throughout the pandemic and Members were referred to the Standards Committee Minutes for a further update, which would also be considered at the all-staff development day. Recent information confirmed that Ofsted would not be completing "Full" inspections until the next academic year.
- c. Assessments. Summer achievement assessment remained unclear and work continued to provide the optimum solution which would be scrutinised and considered by the Standards Committee; the Government had allowed extra time for appeals.
- d. Political Contact. Meg Hillier the agreed Parliamentary contact for BSix and had been updated on recent local developments.
- e. Support Staff Pay Award. The Sixth Form Colleges Association had brokered a 2-year pay deal for support staff however that had been "reopened" in response to the recent teaching staff award; full detail was in the paper and would inform consideration later in this meeting.

The information was received.

Actions had been identified. (Table 39/20 below)

35/20 FINANCE

The Finance Report considered three main issues:

- a. Bank Overdraft Facility. It had been proposed that an increase in the bank overdraft limit from the current £500k to a suggested £750k would provide extra flexibility during the traditionally low cash points during March and April brought about by the ESFA payments profile and this year, exacerbated by increased student numbers and Covid associated expenditure. The attached "facility letter" detailed the terms of the overdraft secured by a legal charge over the College property at Kenninghall Road, the main terms were:
 - (i) interest rate of 3.350% over the Bank of England rate (increase from current 3.2%);
 - (ii) quarterly fee of £1,875 (increase from current £1,250);
 - (iii) security arrangement fee of £600;
 - (iv) no financial covenants (unchanged);
 - (v) required financial information (unchanged – financial statements, quarterly management accounts & annual budget as submitted to the ESFA)

The bank appointed surveyors to value the College property, the College solicitor and the bank were working to finalise documentation to implement the legal charge. The following attached documents were noted to inform decisions:

- (vi) the facility letter from Barclays Bank signed by Anders White, Head of Product and Transaction Management, Global Lending Group, Corporate Banking; Sterling Business Overdraft Facility;
- (vii) Key Terms signed by Anders White, Head of Product and Transaction Management, Global Lending Group, Corporate Banking and including Steven Owen, Relationship Director. (15 March 2021); and
- (viii) The Schedule showing no Existing Security.

After full consideration of all information and accepting recommendations it was unanimously approved;

- (ix) to increase the bank overdraft facility from £500k to £750k;
- (x) to grant a legal charge over the College's property at Kenninghall Road in favour of Barclays Bank as security against the overdraft facility;
- (xi) that the Chair and Principal sign the facility letter on behalf of the Corporation; and
- (xii) that the Chair and the Principal sign the necessary legal documents to affect a legal charge in favour of Barclays Bank. **(Action 2)**

Formal Resolution Consideration:

There was, produced to the meeting a document containing the Key Terms as well as Terms and Conditions for a sterling overdraft facility (together with the Facility Agreement) from Barclays Bank PLC (the Bank) to the Borrower setting out the terms and conditions upon which the Bank is prepared to make available to the Borrower, a sterling overdraft facility (the Facility).

IT WAS RESOLVED

1. That the borrowing of the Facility by the Borrower (subject to any limits contained in the Facility Agreement) on the terms and conditions set out in the Facility Agreement 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 such terms and conditions be and are approved and accepted.
 2. That, Steven Blackshaw (Corporation Chair) and Kevin Watson (College Principal) are authorised to sign the Facility Agreement on behalf of the Borrower to indicate acceptance of the terms and conditions.
 3. That the Bank is authorised to act in all matters concerning the Facility upon instruction from the Borrower signed in accordance with the Bank's mandate for any of the accounts of the Borrower held with the Bank current from time to time or, where permitted, by telephone from any person specifically authorised to give such instructions.
- b. the Support Staff Pay Increase. The Support Staff Pay Increase would be considered in Part 2 of the meeting.
- c. the Management Accounts. The financial report referencing the January position had been considered in detail by the F&GP Committee and recommended to the Corporation; the accounts, drafted on 9 March 2021, showed an improved c£210,217 to the budgeted deficit figure, because of the now confirmed and welcomed in-year growth funding of c£503k. The Adult Education Budget (AEB) remained vulnerable to claw back since the nationwide challenges with adult learning had precluded meeting of the agreed funding; this had been rated as "High" risk at S26. There was then some discussion whether adult

learning was a valid core activity for a sixth form college, there was some view that because of the particular provision profile to meet the needs of the diverse local area perhaps it was. That would be discussed at the next awayday, set for 14 May 2021; “safeguarding” would also be discussed. **(Action 3)** Pay costs stood at c£76k over budget with an annual c£177k overspend, partly offset by the 16-19 Tuition Fund; full detail was at S14 and was noted. Non-pay costs had been c£153k over budget and would translate into a c£128k underspend. Key Performance Indicators (KPI) were considered and noted: the EBITDA v Income was -3.66% and the financial health assessment, provisionally graded as “Requires improvement” (RI) was likely to improve to “Good” by year end. Members welcomed the additional in growth funding, which had considerably eased the situation, applications for 2021.22 were currently 300+ above the same point last year. Capital expenditure stood at £372k/£287k.

**The information was received.
Actions had been identified. (Table 39/20 below)**

36/20 RISK MANAGEMENT

The paper considered changes in the Risk environment since November 2020. Three scores had been used in the Risk Register (RR):

- a. Inherent;
- b. Residual; and
- c. Target.

Target risks reflected what was achievable during the year and there was a total of 11 Risks in the Register, which was discussed. There was particular interest between Residual and Target Risk scores and it was explained that Target Risk scores would be revised at the start of the coming year to reflect experience and changed parameters.

The information was received.

37/20 URGENT BUSINESS

There had been no urgent business agreed.

38/20 DATE OF NEXT MEETING

The next meetings would be:

- a. Corporation Development Day on 14 May 2021; and
- b. Meeting at 1730 on 6 July 2021.

39/20 ACTION REGISTER

See referenced minute for full detail.		resp	date
Action 1	32/20a. Last Minutes (10.12.20) confirmed for signature.	Clerk	wie
Action 2	35/20a. All recommendations re overdraft approved.	VPFR	
Action 3	35/20c. AEB & Safeguarding tbc at next awayday.	Chair	14.05.21



Extract of a meeting of the Board of Governors of the Brooke House Sixth Form College (the Borrower)
On 18 March 2021

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IT WAS RESOLVED

1. That the borrowing of the Facility by the Borrower (subject to any limits contained in the Facility Agreement) on the terms and conditions set out in the Facility Agreement 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 such terms and conditions be and are approved and accepted.
2. That, Steven Blackshaw (Corporation Chair) and Kevin Watson (College Principal) are authorised to sign the Facility Agreement on behalf of the Borrower to indicate acceptance of the terms and conditions.
3. That the Bank is authorised to act in all matters concerning the Facility upon instruction from the Borrower signed in accordance with the Bank's mandate for any of the accounts of the Borrower held with the Bank current from time to time or, where permitted, by telephone from any person specifically authorised to give such instructions.

Certified to be a true extract from the minutes of a duly convened meeting of the Board of Governors validly held on the date shown above.

.....  Clerk to the Corporation.

.....Chairman.






BSixCorpMinutes18.3.21Pt1RD

Final Audit Report

2021-07-07

Created:	2021-07-07
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