

**Minutes of formal discussions and decisions
Corporation Strategic Development Day
Thursday 13 October 2022
Rosemary Suite
Willows training Centre
Wyboston lakes**

Present: Allan Schofield (Chair) Raj Randhawa
Dennis Buckley Sheila Selwood
Richard Dimbleby Alasdair Simmons
Joe Gallacher Luisa Vecchio
Ian Pryce CBE, Principal & CEO

In attendance Sheraz Amin (Executive Director of Digital Transformation) (part)
Sarah Baxter (Executive Director of Marketing and Student
Recruitment) (part)
Pat Jones, (Executive Director of Finance)
Debbie Houghton (Executive Director of Apprenticeships) (part)
Em Lowe (Vice Principal)
Pauline Odulinski (External facilitator) (part)
Rachel Nicol (Group Director of Governance)
Ashley Spiers (EDI Manager)

C/50/22 Apologies for absence & Declarations of interest

Apologies for absence were received from Luke Ferebee, Dominika Kalinowska, Mark Lawson, Vinod Tailor, Amanda Wagstaff and Cliff Wragg

C/51/22 Briefings

During the course of the Strategic Development day the Board received a number of briefings as follows:

-Contextual overview of The Bedford College Group's current position, pre and post Covid comparison, market position, staff turnover and labour market conditions, political backdrop and energy costs.

-Education Inspection Framework and in particular the new sub judgement centred on the contribution of colleges and designated institutions to meeting the skills needs locally, regionally and nationally. The briefing outlined the work to identify key aspects in the Self-Assessment Report, the Quality Improvement Plan and use of software to identify labour market needs to inform curriculum planning. The Learning Skills Improvement Plan is being led by the Northamptonshire Chamber of Commerce and assurance was given that the College is working with relevant parties.

Slides will be uploaded to the board portal



C/52/22 The Board and EDI

The Board was delighted to welcome Pauline Odulinski OBE as an external facilitator to lead a session on leadership in inclusive governance for both governors and executive members. Pauline had been involved in the EDI collaboration project with Moulton College.

The session focused on exploring unconscious bias, valuing the importance of inclusive conversations, shared understanding and the benefits of cognitive diversity in governance structures. Further discussions enabled the Board to explore their role in oversight of EDI, the challenges in obtaining and analysing data around intersectionality.

Governors made personal pledges at the conclusion of the session.

Slides and resources will be made available on the board portal.

The Board wish to record formal thanks to Pauline for delivery of the session and to Pauline and to Ashley for their support in preparing for the event.

C/53/22 Update on the Strategic Plan

The Executive Director of Marketing and Student Recruitment attended to provide an update on the strategic plan. The most recent version had been updated following consultation with staff and other stakeholders and was included on the board portal together with a slide presentation of the proposed measures against objectives and targets.

It was noted that the Sustainability and Climate Action Plan will be presented at the November board meeting.

Measures were presented on the assumption of merger.

The Board was taken through each objective and the rationale for the proposed measures explained. The Board asked whether 5 year measures will be broken down for monitoring purposes and the pros and cons of this were discussed, particularly where there is no benchmark data. The current proposal is in each year to consider the position against the overall target and assess whether progress made is appropriate.

Further questions from the Board included:



Objective 1 Leadership in FE and Civic Leadership

Q How will people determine whether the College is a civic leader? A ***Perception surveys, how visible the College is and awards achieved.***

Q How is the size of the community determined? A ***This is determined based on key stakeholders in terms of students and staff and the College 100 list***

It was agreed to change the wording to “key stakeholder groups”

Objective 2 Educational excellence

Q Whether student and apprentice achievement rate should be compared to private training providers as well as other colleges. A ***It was agreed this was appropriate***

Q The appropriateness of the percentage likelihood to recommend measure. A ***It was agreed to increase this to 90% in line with other similar colleges***

Q Should there be a measure on attendance and retention as well as achievement? A ***These measures are included in the quality dashboard reviewed by the QSA Committee and it was agreed appropriate for monitoring at this level.***

Objective 3 Expand HE, T levels and academic programmes

Q How realistic is the target? A ***Discussion centred around the growth plan in the context of the cost of living crisis. Applications were noted to be higher than previously but with conversion to enrolment being lower. A survey is being carried out, including telephone interviews on those who have applied but not enrolled. It was agreed to keep the target as proposed.***

Objective 4 Financial strength and capital investment

Q Whether the surplus after 5 years should be greater in relation to increased income in the event of merger? A ***Considered difficult to achieve, particularly in light of the significant increase in utilities costs. Agree that the Resources Committee will monitor the position.***

Objective 5 Responsiveness to employers

Q How are key employers identified? A ***This is determined using the recent, frequency, value model, the level of income generated and years with the College***

Objective 6 Digital transformation



The measures will be monitored by both the Resources and QSA committees.

Objective 7 Market leadership and size

Q Why has Wellingborough been singled out and what are the predicted numbers for Corby Sixth Form? A ***A growth strategy is in place for Wellingborough and needs to be monitored separately.***

Q Is the target for 16-18 numbers realistic? A ***The number is predicated on merger and will be adjusted if the merger doesn't go ahead.***

Objective 8 Sustainability

Q Is 2020-2021 a representative baseline figure? A This will be considered in more detail when the detailed strategy is reviewed in November. **It was agreed to look to reduce the headline measures to 3 to 4 key measures for this objective.**

Subject to the amendments agreed the Board resolved to approve the updated Strategic Plan and the measures proposed.

C/54/22 Update on merger with Central Bedfordshire College ("CBC")

The Board had received a copy of the legal due diligence report and a supplementary confidential report from Stone King in respect of the planned board meeting on Monday 17 October.

Due to the incomplete information in legal due diligence and consequent delay on the financial due diligence the Chair and CEO in consultation with the Group Director of Governance and Executive Director of Finance concluded that the Board did not have the information needed to make a resolution to merge.

The CEO provided an update including progress in weekly Senior Leadership meetings and involvement of funders.

It was confirmed that the strategic benefits of merger initially identified by the Board and executive remain unchanged and that the consultation exercise had received positive feedback. The team has worked on the operational fit in terms of curriculum, professional services and IT with positive progress.

CBC have carried out cultural due diligence on Bedford College and it is understood the results are positive. The financial due diligence carried out by ICCA on CBC on behalf of Bedford College is currently being fact checked by CBC.

Progress on legal due diligence was outlined with a lack of engagement by CBC

giving some concern, despite an instruction from the Chair of CBC that all documents requested by TBCG's lawyers should be made available and a commitment by the CEO of CBC that this had been done. The CEO highlighted that not all matters reported, including one based on a whistleblowing allegation, are considered merger matters as they relate to processes of the individual college.

Two significant issues requiring further investigation and quantification were identified by the Executive prior to a formal recommendation to proceed with merger. These included:

1. Position on Estates and the identification of a 100 year lease with the absence of a break clause and onerous rent increase provisions.
2. Subcontracting arrangements between CBC and SSS. A Pearson investigation is ongoing with circa 500 students still not certificated. Of 12 investigated 7 have been disqualified. The potential for complaints and legal claims was referenced. The activity has currently stopped because of the ongoing investigations.

A third issue of significance to the Board relates to the potential lawsuit likely to be brought against CBC by the company who failed to win the security contract as set out by Stone King. The relevance is that damages are claimed at circa £800K plus legal fees thus, if the claim was upheld or compromised on that basis, would worsen the financial position as previously reported. Whilst the CEO provided assurance that Bedford College processes and procedures would protect against future similar events the Board, in addition to the financial implications, noted the risk of reputational damage if the claim is not settled by the merger date.

The College is writing to the OfS to seek their view of the potential risk and then further reports will be made to the Commissioner and to governors. Further testing is also being carried out by Pearson.

The Board discussed in general terms the speed of progress and transparency on due diligence, the information provided via CBC Chair and acknowledged the potential risks, financially and reputationally, of the matters currently under investigation. The potential for after the events insurance was raised and structural options to manage the risk speculated on.

The Board sought to understand when sufficient information might be available to enable the Board to determine whether to proceed to merger. It was agreed that a date in December would be the most appropriate. Given the Board has a meeting on 7 December governors were asked whether they would prefer a longer meeting or two separate meetings. The preference was for 2 separate meetings with one possibly

being listed as virtual with the option to move agendas as appropriate

The Board noted that the information provided to date does not undermine the original rationale for merger but that the significant issues identified in the legal due diligence require further investigation and clearly identified risk mitigation strategies.

The Board meeting scheduled on Monday 17 October is to be postponed to a date in December to be agreed.

C/55/22 Board succession planning

The Chair introduced the item and had summarised the potential options for Chair and Vice Chair Succession planning in a summary paper. Draft role descriptions had been provided for the Chair and Vice Chair based on sector precedents and the codes of governance adopted by the College.

The role descriptions were agreed in principle but considered to be lengthy. It was agreed these will be further reviewed by the Group Director of Governance and the Executive Director of HR before being finalised.

The Chair and Vice Chair left the meeting

Principles on succession planning previously agreed by the Board were noted as:

- Chair and Vice Chair terms not to end simultaneously
- Maximum terms of office to be adhered to unless exceptional circumstances applied
- No automatic assumption that Vice Chair becomes Chair
- Need for future training and succession planning to avoid the need to extend terms of office.

The remaining members discussed the potential options and in particular explored:

- Options presented following discussions of Governance Committee. The potential need for a 4th option in respect of the current Vice Chair becoming Chair was raised. The Group Director of Governance explained that this option was not precluded from the options agreed at the Governance Committee whereby the Chair would leave in July 2023 but that the Vice Chair could be the new Chair. The Chair's summary was believed to follow discussions with the Vice Chair and it was therefore considered that this had been ruled out.

The Vice Chair returned to the meeting to provide clarity on her position and had considered that the Board needed a strategic and potentially a local Chair. This view



was not agreed by the governors present but the decision of the Vice Chair was accepted.

-Need for confidence and continuity in context of senior leadership succession. The governors present (and a view expressed by a governor not in attendance) agreed that in the current circumstances Option 1 was the preferred model: That the current Chair's term is extended for a further year and that succession is managed through the existing membership.

Governors discussed their own positions and in summary:

Alasdair Simmons confirmed a willingness to stand as Vice Chair in 2023-2024 and to become chair for a two year period thereafter if approved by the Board.

Richard Dimbleby confirmed a willingness to stand as Vice Chair for a two year period from 2024-2025 if approved by the Board.

Diversity was discussed and views sought. It was however agreed that the priority is to ensure appropriate time commitment, skills and experience. Diversity and inclusion will continue to be a focus in future succession planning.

It was agreed that option 1 is approved and that the proposals for Alasdair and Richard should be put to the Board but with agreement that a further request is made for expressions of interest.

C/56/22 Update on CEO Succession Planning

The Chair provided a brief update on progress, including the establishment of a 5 member panel following a request for expressions of interest. Other governors will be asked to be involved in the interview process.

The process is being supported by the Executive Director of HR and a meeting is taking place with the recruitment consultants, panel, the Group Director of Governance and the Executive Director of HR on 28 October 2022.

A written report from the Executive Director of HR to the Board is planned for the 7 December 2022 meeting.

C/57/22 Next meeting

The next meeting is the joint meeting of the QSA Committee and the Board on 24 November 2022.