



## **Minutes of a Meeting of the Board of the Corporation**

held in the Conference Room of the College  
on 13<sup>th</sup> May 2014 at 5.30pm.

### ***Present:***

Mr T Edwards (Chairman), Ms K Redhead, Mr G Marshall, Mr J Davies, Mr D Temperley, Mrs G Granath, Mr K Temperley, Mrs S Nicholson.

### ***Apologies:***

Mr G Gibson, Mr J Lyle, Mr D Waugh, Ms N Dixon, Mr J Kershaw, Mr C Todd, (Director of Curriculum and Quality).

### ***In attendance:***

Mr C Todd (Director of Finance and Resources), Mrs S Errington, (Director of Business Development), Mr M Sowerby, (Clerk to the Corporation).

### ***1. Introduction***

1.1. The Chairman welcomed everyone to the meeting.

### ***2. Declarations of Interest***

2.1. There were no declarations of interest.

### ***3. Minutes of a meeting of the Board of the Corporation held on Tuesday 25<sup>th</sup> March 2014***

#### ***Matters arising:***

3.1. Item 6.6.1. The Public Interest Disclosure item. The Principal informed Members that the Director of Finance and Resources had completed an investigation into the accusation of malpractice by one of the College partners. The Director of Finance and Resources had found no evidence to back up the allegation although he had identified some minor practice issues. The findings of the investigation and recommended actions have been discussed with the director of the company. The response from the company will be added to the investigation report which will then be sent to the Skills Funding Agency (SFA).

3.2. Following questions from the Chairman it was confirmed that the SFA and three other organisations, which work with the company, had all been sent a copy of the complaint letter. Each organisation is responsible for carrying out their own investigation but as far as the College is concerned this issue has now been concluded.

**Agreed:**

**3.3. THAT the Board receive the minutes as a true record.**

**4. Chairman's verbal report**

The Chairman's report consisted of the following items:

**4.1. The AoC Governance Conference.**

4.1.1. The Chairman informed Members that he and the Principal had attended the conference in London on the 27 March 2014. Members were informed that there had been some good elements to the conference. Some interesting comments had been made that appeared to indicate that the College is very much on the right track.

4.1.2. The FE Commissioner was seated at the same table as the Chairman and Principal. During the day the Chairman had informally discussed changing the title of Governor to Trustee. Later the idea was mentioned by the FE Commissioner in his presentation and a ballot of participants resulted in 60/40 in favour of the change.

4.1.3. The Chairman and Principal had also met the Governance Coordinator for the AoC and she has been invited to address Members at a future informal Board lunch.

**4.2. The AoC Regional Event**

4.2.1. The Chairman informed Members that he, the Principal and the Clerk had attended the AoC regional event at New College, Durham on the 2 April 2014. The event had been interesting, particularly the pay negotiations and SFA organisational changes. Members were advised that Alan Dixon, AoC Regional Director, is retiring and is to be replaced by Gillian Miller. Ms Miller who was formerly the Regional Director with the SFA, has been a friend of the College for some time.

4.2.2. A further AoC event, the last Alan Dixon was to attend, was supposed to take place earlier today but it has been cancelled and is to be re-arranged.

**4.3. The Search Committee**

4.3.1. Members were informed that following his attendance at the last Board meeting, Mr Temple has notified the Clerk that because of his many commitments he feels he is unable to join the Board at this present time.

4.3.2. The Chairman informed Members that the Search Committee met on the 23 April 2014. The Director of Business Development also attended the meeting and had been very helpful in providing details of a number of senior business personnel who the Search Committee may want to consider approaching with regard to membership of the Board.

4.3.3. Following consideration it was decided that the Director of Business Development would make initial contact with three of the individuals and the Chairman would write to two of the others. It was decided that a sixth individual may be considered at a future date. The Director of Business Development has already

contacted one of the individuals and she has responded very positively. The Chairman and Clerk will have an informal meeting with her in June.

4.3.4. The Chairman informed Members that the Search Committee had agreed to adopt a Succession Policy for the Chairman and Vice Chair. Members were reminded by the Chairman that he and the Vice Chair had originally planned to retire next year, to coincide with the retirement of the previous Principal. However because the previous Principal had to retire early the Chairman informed Members that he wished to give the new Principal his continued support and will stay on longer if required. The Vice Chair has also agreed to support the Chairman and Principal and will stay on until the Chairman retires. The Chairman thanked the Vice Chair and the Clerk for the support they give him.

#### **4.4. Meetings**

4.4.1. The Chairman advised Members that he had met three times with the Principal regarding a potentially serious issue with the SFA. The issue will feature in the Principals report later in the meeting. The Chairman advised Members that he had also met with the Clerk on a number of occasions to discuss Board processes and issues.

#### ***Agreed:***

**4.5. THAT the Board receive the Chairman's report.**

### **5. *Principal's report***

5.1 The Principal presented her report which included the following:

- 2013/2014 Performance against targets as at 2 May 2014
- Update on funding allocations for 2014 – 2015
- Strategic Review preparations
- Update on Langley Park

**5.2 2013/2014 Performance against targets - Confidential Item**

**5.3. Update on funding allocations for 2014 – 2015**

5.3.1. Due to the information reported in the previous item this item was not discussed.

**5.4. Strategic Review preparations**

5.4.1. The Principal outlined the preparations for the Strategic Review. Members were informed that as well as setting the strategic priorities for 2014/2015 and capital expenditure proposals, the review will also look at the College's mission, vision, values and branding.

5.4.2. Following a question from the Chairman the Principal confirmed that the first day of the review involved the Board Members and on the second day the Senior Management Team finalised outcomes and set targets.

***Agreed:***

**5.4.3. THAT the Board note the current situation.**

**5.5. Langley Park**

5.5.1. The Principal informed Members that there had been little progress since the last meeting although solicitors have now been engaged and the purchaser has accepted the terms and conditions set out in the contract of sale.

***Agreed:***

**5.5.2. THAT the Board note the current situation.**

**6. *Finance and Resources Reports***

**6.1. Finance Report for the period to 31<sup>st</sup> March 2014.**

6.1.1. The Director of Finance and Resources explained the report set out the position as at the end of March 2014 but the year-end figures contained within the report would all be subject to the outcome of the dispute with the SFA. Updated financial information will be presented at the Strategic Review

6.1.2. The Director of Finance and Resources then described each schedule in detail. Members were informed that there was a significant under spend on the pay budget and this would continue to the year-end. Members were then given details of the non-pay budgets and cash balances.

6.1.3. Following questions the Director of Finance and Resources confirmed that the SFA will have to behave in an appropriate manner in relation to any funding claw back, the cash balances reflect how well the College manages its finances and an analysis of the financial position of other colleges will be reported at the Strategic Review. The Principal informed Members that there are planned funding cuts for the next few years and that there is an argument for not holding onto large cash reserves.

6.1.4. The Director of Finance and Resources informed Members that whatever happens with the SFA, the financial health of the College must be well managed and we must sustain at least a satisfactory grade. The Director of Finance and Resources then outlined the capital budget.

6.1.5. Following a further question about an agreed level of cash reserves, the Director of Finance and Resources informed Members that he would be helping the Board to look at satisfactory reserves, for example a reserve of one years running costs, at the Strategic Review meeting. The Principal advised Members that a few years ago colleges were encouraged to maintain a reserve equivalent to 3% of income, but in the next few years, following funding cuts, she felt that colleges will probably be lucky to hold 1%.

***Agreed:***

**6.1.6. THAT the Board note the financial position to the 31<sup>st</sup> March 2014**

## **6.2 Appointment of Internal and External Auditors**

6.2.1. The Director of Finance and Resources informed Members that a meeting of the Audit Committee had taken place on the 10<sup>th</sup> March 2014. Each of the four firms who had been invited to tender for the audit services did a presentation to the Audit Committee. Following the presentations the Members of the committee considered each proposal and agreed that the appointment of PWC should be recommended to the Board.

6.2.2. Following questions from the Chairman the Director of Finance and Resources confirmed that it had been difficult to separate each of the proposals, there was very little financial difference, Baker Tilly had not made the most of their advantage and ultimately the decision was made by identifying who we could best work with. The Director of Finance and Resources confirmed that he had worked successfully with PWC in the past.

### ***Agreed:***

**6.2.3. THAT the Board approve the appointment of PWC as the College's internal and external audit service provider.**

## **7. Board Matters**

### **7.1. Board Member recruitment**

7.1.1. The Clerk informed Members that the term of office of Mr K Temperley expires at the end of the month. Mr Temperley has stated he would be willing to stand for a further term. Three other members of the teaching staff have also expressed an interest in the position. The Clerk is to meet with each person and discuss the role. If there is still more than one person interested in the position a ballot of teaching staff will take place to decide who will be the Staff Member.

### **7.2. Training and Effectiveness**

7.2.1. Training - The Clerk informed Members that there are no national AoC governance events within the following month but there may be a regional event on the 3<sup>rd</sup> June. Details are still to be confirmed and the Clerk will notify Members when further information is available.

7.2.2. The Clerk reminded Members of the Strategic Planning Day on Wednesday 18<sup>th</sup> June 2014 and the informal lunch on Tuesday 1<sup>st</sup> July 2014.

## **8. Next meeting Agenda**

8.1. Items for the next meeting include:

- Declarations of Interest
- Minutes of the previous meeting
- Draft minutes of the Audit Committee meeting held on 7<sup>th</sup> July 2014

- Chairman's verbal report
- Principal's report
- Strategic Review and Development Plan update
- Finance report and Management accounts.
- 2014/2015 Budget and Three year financial forecasts report
- Fees and Charges Policy
- Staff survey
- Quality Improvement Plan update report

## **11. *Any other business***

11.1. Following a question regarding benchmarking, the Chairman advised Members that he had tried to contact Lakes College on two occasions but had no response back. The Director of Finance and Resources informed Members that it was very difficult to pair up with a single college and he would be providing some comparison data at the Strategic Review. The Principal informed Members that Ofsted have just launched their Data Dashboard but it only includes basic data from two years ago. None of the other agencies provide comparison data.

## **12. *Date of next meeting***

12.1. The date of the next meeting is Tuesday 22<sup>nd</sup> July at 5.30pm.

The meeting closed at 6.30pm