

PRESENT:	Tim Thirlwall (Chair) Trevor Morgan Frances Wadsworth (Principal)
ATTENDING:	Gordon Smith (Chair of Governors) Kate Ward (Governor) Piers White (Chair designate of F & R)
IN ATTENDANCE	Jo Bland (Director of HR) Chay Champness (Chief Operating Officer, COO) Sarah McLoughlin (Minute taker) Ann Monaghan (Acting Clerk) Sharjeel Nawaz (Director of International Development until end of item 7)

1 APOLOGIES FOR ABSENCE

Apologies had been received from Roz Liard and Jane Stroud (Clerk)

Trevor Morgan was welcomed to his first meeting of the committee. Kate Ward and Piers White who were also attending for the first time prior to full membership of the committee were also welcomed.

2 DECLARATION OF INTEREST

Gordon Smith declared an interest as the school that he heads up sends some 14-16 learners to the College.

3 MINUTES OF THE MEETING HELD ON 19 JUNE 2013

The minutes were agreed and signed as a true record.

3.1 Matters Arising

None

7 INTERNATIONAL DEVELOPMENT UPDATE

The report was **RECEIVED**. The COO introduced the business case. The newly appointed Director of International Recruitment then presented the Business Plan.

The main points made in the presentation or brought out in discussion are listed below:

1. "Transforming Ambition to Achievement" was the tag line for marketing purposes.
2. The SWOT analysis was explained in detail and the point was made that 26% students in London are international. It is the second most desired city for international students.
3. Working with an A-rated licence was discussed, and obstacles to obtaining trust status. It was important to have a good visa success rate in order to obtain HTS status. There were time restrictions for applying for HTS, and if the UKBA delayed it could have an impact on recruitment and business plans. The suggestion was made that the College apply early for HTS status to support its business plans.

4. Accommodation, airport transfer and social activity calendars had been agreed and signed up with approved agencies.
5. The current price and model was attractive for developing countries, but they were deemed high risk by UKBA and therefore had a high visa refusal rate. The price needed to be appropriate for Chinese and Middle Eastern students. The College needed to find its place in the market, but in the short term had to be sharper with pricing in order to recruit numbers.
6. Provision should be developed for. International Foundation Year, EFL (English as Foreign Language), and postgraduate courses including MBA, MA in Business & Finance, and MA in Management. These courses appealed to Chinese students who make up the large majority of international students in the UK.
7. In the short term there would be a focus on low risk markets and students already studying in the UK. In the medium term there would be a focus on medium to high risk countries with a focus on Brazil, Russia, China and South Africa (BRICS), and Sixth Form, FE and language courses should be introduced at this stage. In the long term there would be a focus on the next 11 emerging economies.
8. The proposed plan required investment totalling £39k, £18k more than initially projected, and a loss of £88k was expected in the first year.
9. There was an opportunity to recruit the low risk students from the failing FE Colleges.
10. The financial strategy would be to invest in International activity and scale up when successful.

The Business Plan and Strategy were **APPROVED**.

ACTION: An International Update to be included both at the Governors Development Day in January, and at the March meeting of the Finance & Resources Committee.

4 RECOMMENDATION OF FINANCIAL STATEMENTS

The Financial Statements and covering report were **RECEIVED**.

Adjustments that had been made to the Financial Statements after being issued were tabled and now include £120k disposal costs not previously included. This was recommended by auditors. The FRS17 pension calculations had been updated to reflect that the enhanced pension liability pertains to members that were made redundant. This impacted the income and expenditure position adversely by £100k.

The College adopted a property revaluation using the FRS15 approach. Using Depreciated Replacement Cost methodology, the Fairfield building has decreased in value. The next full valuation will be for 2015/16 although if there are known changes in property asset values, these will need to be adjusted for. The impact on SFA health grading is neutral as the gearing is a change from 26% to 28%. If this went above 30% the College would only have an SFA health grade of satisfactory. The financial target for gearing for 2013/14 would be updated to reflect the revaluation.

The Financial Statements were then **RECOMMENDED** to the Governing Body.

5 FINANCIAL MONITORING

The report was **RECEIVED**. An SFA software release had been delayed which caused problems. Once activity had been finalised, there would be some income and pay budget revisions within the divisions, but the COO confirmed that there will be no overall change to the £27k operating surplus budget approved in July 2013.

The COO explained the key issues within the report and outlined emerging themes and impact for the year:

1. Apprenticeship recruitment was below target and could be circa £200k short for the year.
2. 24+ loans: Many applications had been unsuccessful due to residency status, resulting in a shortfall of circa £200k on the £1,000k allocation. Learners that would have been eligible last year were not eligible this year. The COO has recommended that this issue is flagged to SFA.
3. Part-time HE numbers have continued to fall and indicate a 33% shortfall against budget for the year
4. SFA activity was assumed to be as budget pending funding calculation and would result in in-year claw back in a way that EFA activity does not. This could be circa £1,000k if 19+ recruitment numbers mirror 16-18 enrolment.
5. Student union accounts were within budget.

Governors noted that the cumulative surplus to date is favourable and queried whether this suggested that the budget was not profiled properly.

ACTION: The COO to look at the budget profile and revise the forecast in January for review at the March meeting of the Finance & Resources Committee.

6 2013/14 ENROLMENTS UPDATE

The report was **RECEIVED**. The COO stated that, due to the lack of SFA software, figures were not fully available.

1,842 16-18 enrolments were recorded to date, a shortfall of 400-500. The number of applications had increased by 10% however acceptances had fallen by 5%. A survey was being undertaken with applicants who had not converted to students to understand where they go and why.

Taking into account in-year growth based on the previous year the outturn would be 20% under delivery against allocation which represented a significant decrease in funding for 2014/15 (current estimation £2million decrease on 16-18 only). The COO advised that this was being closely monitored and would be a key issue for 2014/15-2015/16 business planning and budgeting.

The survey of applicants that did not convert was discussed further. Governors fully supported the gathering of further benchmarking information.

Governors queried whether forecasting should be brought forward. After discussion it was resolved to keep forecasting as planned.

8 FINANCIAL REGULATIONS

The report was **RECEIVED**. The COO outlined the review and key changes to Financial Regulations and supporting policies. Changes had been made following a full year of working in practice with regulations and recent recommendations from internal audit reports.

Key changes were in the Anti-fraud and Anti- Bribery Annex. All recommendations made by the internal auditors had been accepted and were reflected in the changes.

Governors asked about the controls on financial limits. The COO advised that he has oversight of limits and monitors them routinely. Financial regulation waivers are reported to

this committee and controls around transactions are reviewed annually by the internal auditors. Governors questioned whether disaggregation of orders as a way of evading limits was expressly forbidden and covered in the financial regulations. **ACTION:** The COO to review and amend accordingly.

The updated Financial Regulations were **RECOMMENDED** to the Governing Body for approval, subject to any changes arising from the previous paragraph.

9 RISK MANAGEMENT

The report was **RECEIVED**. There was a discussion about the termly risk management group meetings. The COO highlighted the rise in the net risk for Op9i – failure to comply with legislation. The risk register is monitored and reviewed thoroughly on a regular basis as the College continues to evolve.

10 ANNUAL REPORT ON HEALTH AND SAFETY

The report was **RECEIVED**. The COO reported that he was pleased with progress regarding non-standard reported activities such as near misses. The College continued to embed practices. There had been external inspections which were all satisfactory. Health & Safety training undertaken was listed. There had been 82 reported incidents, 9 more than the previous year, including one RIDDOR reportable incident: a broken ankle. Fire drill evacuation times had improved marginally. The Asbestos register was up to date and asbestos had been removed where possible.

The COO reported a genuine level of engagement during Health & Safety Committee meetings. Members suggested that students could be represented at Health & Safety Committee meetings going forward. Health & Safety advice was received from a qualified consultant and specialists were called in when required. Phil Coulthard was undergoing a Level 6 qualification. The Assistant Director of Operations would be undertaking NEBOSH qualifications once her probation had been completed.

ACTION The Clerk to upload the report to the Governors' website for the attention of all Governors.

11 POLICIES FOR APPROVAL

The following policies were **RECEIVED**: Disciplinary Procedures, Grievance Procedures Staff, Recruitment and Selection Policy, Redundancy and Redeployment Policy. The Director of HR outlined the headline changes and the trade union responses to the same, where received. It was noted that the revised Disciplinary Procedures incorporated the procedures for Senior Postholders, but that the key provisions which applied to Senior Postholders were unaltered. It was **RESOLVED** to approve the policies.

ACTION: Governor Recruitment Procedures to be reviewed by the Clerk to ensure that governors have to undertake checks by the Disclosure and Barring Service (DBS).

12 PAY AWARD UPDATE (VERBAL UPDATE)

The report was **RECEIVED**.

The 2013/14 AoC pay recommendation had been for a 0.7% increase with a minimum £270 being paid to staff earning less than a minimum amount. The UCU had not agreed and were

requesting a 5% increase. They were balloting for industrial action, and had written to ask colleges to confirm whether they intended to honour the 5%.

It was **RECOMMENDED** to the Board that a decision on a staff pay increase be deferred until later in the year.

13 UCC TUITION FEES FOR 2014/15

The report was **RECEIVED**.

It was proposed to increase fees from £5,750 to £6000 for all FT courses in 2014/15. This would keep fees below the Access Agreement cap of £6,000. It was felt that the increase would not affect numbers enrolling.

Governors' **AGREED**:

1. To increase UCC fees to £6000
2. To provide an iPad as an Internal progression incentive for HE School of Art students
3. To limit the number of non-exempt students funded through Student Finance England to the Student Number Control limit of 242
4. That ABB students would be given £1500 cash per annum in instalments to encourage recruitment
5. To a tabled change to the written document: there would be £300 administration charge instead of a 25% administration charge for international students
6. Additional wording as set out in 13.7 to 13.9 of the document for people who transfer courses

14 DCE'S REPORT ON PARTNERSHIP (AS LQC)

The report was **RECEIVED**. Levels of activity were very different compared with two years ago. The College had retained only two main partners who delivered to contract value and learner performance target in 2012/13. The partnership strategy had served well, but members discussed that the Board might decide that reporting on Partnerships could be reduced to match the reduced activity. The Finance & Resources Committee agreed that the Partnership report should continue for one more meeting before being discontinued.

The Committee **RECOMMENDED** that the LQC Committee discuss whether the report continued to meet their needs..

The Chair commented on how well the Executive had managed Partnership arrangements.

15 PROPERTY UPDATE VERBAL

The report was **RECEIVED**.

The COO reported:

1. The sale of the Tower Block is progressing well. Final planning approval was expected March-July 2014.
2. Heath Clark: The College was still in formal negotiation with Decathlon. The Lavender organisation had contacted the College to develop a lavender field and there remained a possible opportunity to develop a school on the land.
3. Barclay Road: The Council were currently valuing the site, It appeared that an offer to buy outright might be made. The College was continuing to develop other options and was arranging meetings with Council officers to advance these. There have been two offers to rent out the building by private colleges. The length of the lease and other factors had meant that these had not been explored further at this point.

16 DATES FOR NEXT YEAR

The report was **RECEIVED** and **ACCEPTED**

17 ANY OTHER BUSINESS/MATTERS FOR NEXT MEETING

In compliance with the Financial Regulations the COO reported two procurement waivers: £17k for redesign of the UCC website (Blast Ltd), and £12k planning work (Phillip Meadowcroft architect).

The Chair, Tim Thirlwall, would be stepping down as a governor and Chair of the Committee after the December meeting of the Governing Body. Piers White had been appointed to chair the Committee following his retirement.

Trevor Morgan was **ELECTED** nem. con. as Vice Chair of the Finance & Resources Committee.

Gordon Smith, Chair of the Governing Body, expressed gratitude to the Chair for his dedication to the Board and the College and the quality of his contributions over the last 10 years.

18 DATE OF NEXT MEETING

Wednesday 5 March then Thursday 19 June

Meeting ended at 9.10pm