

Minutes of the Board meeting held on 23rd July 2013 at 5.00pm

Present:

Ms Louise Barry
Ms Sue Carmichael
Mr Tony Cobain

Mr John Denny

Ms Vivienne Lacey

Mr Ian Pollitt Cllr Nick Small

Ms Vivienne Tyler (Chair)

External Governors

Ms Elaine Bowker

Principal

Mr Aaron Booth
Mr Daniel Hayes

Student Governor Student Governor

Ms Martha Harris Staff Governor Mr John Nolan Staff Governor

In Attendance:

Ms Angela Cox Deputy Principal

Mr David McIntyre Vice-Principal Finance & Corporate Resources

Ms Christine Lenderyou Clerk to the Board

13.130 Welcome

Governors were thanked for attending the extraordinary meeting

13.131 Apologies

Apologies were received from Ms Clare Crowther, Ms Claire Dove, Mr Peter Grieve, Mr Neil Lazenbury, Professor Gerald Pillay and Mr David Wilson.

13.132 Declarations of Interest

Staff members had considered to have an interest in the Proposed Budget for 2013/14 and the confidential item.

The Principal, Councillor Small and Mr McIntyre also declared an interest as directors of First 4 Skills which would be referenced throughout the meeting.

13.133 Any Other Business

One item of other business from the Staff Governor (Support) was taken. Mr Nolan wished to draw the Board's attention to the efforts made by the Principal to communicate with staff and trade unions in an open and transparent way. As the College was going through a period of transformation, it was inevitable there would be concerns from staff and debate with unions

but the Principal had actively sought to dispel rumours and uncertainty where possible. The Board were pleased to receive this information and thanked Mr Nolan for his comments.

The Board agreed that the Budget and Three Year Financial Plan could not be discussed without reference to the confidential item so this was taken first. It was acknowledged that the confidential item may conflict the staff and student governors; it was agreed that the staff governors would leave the meeting when Part 2 of the confidential item was discussed and would not receive the corresponding part of the report.

13.134 Confidential Item

This minute has been deemed confidential. For further information, please contact the Clerk to the Board.

13.135 Proposed Budget for 2013/14

The Board were aware that the current year had been tight financially as the College had sought to counter historic under-investment at the same time as carrying out a management restructure and increasing student numbers. There had also been additional unanticipated budgetary pressures. [part of minute removed as references a third party] The Principal stressed that a surplus of £2.5m was the very minimum the College needed to aim for to ensure financial stability and clarified that the financial health score was forecast to be satisfactory.

Governors were advised that budget holders would be subject to increased accountability with clear budgets and income targets. Previously budget holders had been able to overspend, partly as a result of a flawed methodology. Management Accounts would also show the situation throughout the year. In response to a query, the Principal confirmed that people would be measured against meeting these targets, which would be RAG rated and reported to the Board.

The budget was approved, subject to the surplus being increased by £30k as a result of discussion during the confidential item.

Act: DMcI

Mr Nolan left the meeting before the next item.

13.136 Three Year Financial Plan

The Principal reminded governors that both the College's bank and the SFA would expect to see the current year's financial position as an exception, with the College demonstrating it was both building up cash and increasing its operating surplus. The College was outperforming the sector in terms of increasing its income and market share.

The Board were advised that there was some further work to be completed in respect of reserves and capital grants on the three year plan although it was in line with the information previously presented to both the bank and Board. The document which would be submitted to the SFA was a prescribed format so the figures did not directly correspond, but the Board were assured they could be confident with the figures presented. The VPFCR would review year three (2014/15) to ensure they were consistent with the 2014/15 estimates provided to the bank and the last meeting of the Board. There appeared to be a discrepancy in surplus levels, although the Board accepted this was likely to be because of the differing format and the way that some accounting adjustments were applied (pension liabilities, depreciation etc).

It was clarified that income from First 4 Skills was included within "endowment and investment income".

Act: DMcI

Approval of the Three Year Financial Plan subject to the further work outlined by the VPFCR was delegated to the Chair, the Principal and the Chair of the Finance, Estates and General Purposes Committee.

Act: DMcI, VT, EB, PG

It was commented that in the interests of good governance and increasing the bank's confidence, it would be desirable for a governor to take part in negotiations with the bank. Mr Denny volunteered which was readily accepted by the Board and Executive. Act: JD

13.137 Confidentiality of Items

Item 7 – Confidential Item. Governors returned their papers to the Clerk and were reminded that the contents should remain confidential.

The meeting closed at 7.35pm