



**MINUTES OF THE PART I MEETING OF THE BOARD OF GOVERNORS
HELD 7 JULY 2011**

Present:	Mr H Guntrip	Chairman
	Mr J Bolas	
	Mr J Boxall	
	Ms T Bruton	
	Mr G Charlton	
	Mr N Coffin	Vice Chairman
	Mr P Dubrow	
	Mr P Hannan	
	Mr B McNicoll	
	Ms P Palmer-Abbitt	
	Ms S Shelton	
	Dr M Noble	
In attendance:	Mr J Allen	Clerk to the Governors
	Ms L Brown	Vice Principal
	Mr M Lumsdon-Taylor	Director of Finance & Resources

The meeting commenced at 9.30

Section A: Formal Agenda Items

APOLOGIES & DECLARATION OF INTERESTS

89. Apologies were received from Philip Morris, Lynette Monteiro and the two student governors. There were no declared interests. The Clerk confirmed that the meeting was quorate.

MINUTES

90. It was **RESOLVED** that the minutes of the meeting of the Board held 31 March 2011 be approved and signed by the Chair as a correct record.

SUMMARY ACTION LIST & MATTERS ARISING

91. The College report '*Summary Action List*' was received (copy attached to the signed minutes). It was confirmed that two of the action points were completed at the recent Governor's Strategy Day meeting and that the two remaining action points are dealt with under agenda items at today's meeting.
92. It was **RESOLVED** to note the report.

GOVERNANCE MATTERS

93. The College report '*Governance Matters*' was received and introduced by the Clerk (copy attached to the signed minutes). The Board is being asked to:
- Approve the annual appointment of the Chairman and Vice Chairman
 - Note the governance action points arising from the recent Governor's Strategy Day meeting;
 - Note the confirmation from the Principal in how ideas generated around commercial income at the strategy day will be taken forward
 - Agree meeting dates 2010/11
 - To conduct the annual review of confidential minutes
 - To approve Terms of Reference for the Curriculum & Quality Committee and the Finance, Commercial & Resources Committee.
94. The Principal confirmed that ideas generated around commercial income opportunities would be taken forward with outcomes of the internal review (involving the Principal, Chairman and Vice Chairman) of the proposals reported to the October strategy Board meeting.
95. The Clerk confirmed that arising from the agreed outcomes at the Strategy day, meetings for 2011-12 would be based on the following structure:
- Top Level: Board to meet 6 times a year and to hold one meeting each term on strategic direction. The autumn and spring meeting to be half a day with a full day allocated in June. The other three meetings to be used to receive reports from the various Committees and to deal with normal Board business as confirmed in the cycle of business.
- Next Level: Committees to meet once a term to monitor and oversee college activities through the monitoring of college objectives and of College performance through the agreed monitoring framework.
- Committees to consist of:
- Audit, Governance & Search, Remuneration, Financial, Commercial & Resources, and Curriculum & Quality.
- Estates Committee to remain but as a Working group reporting directly into the Finance, Commercial & Estates Committee.
96. The Clerk confirmed that a new governance self assessment process for 2011/12 will be worked on, but that for the current academic year 2010/11, the existing governance self assessment process would be used.
97. It was **RESOLVED:**

- (i) To appoint Harvey Guntrip to serve as Chairman and Nick Coffin to serve as Vice Chairman for the period 1 August 2011 – 31 July 2012;
- (ii) To re-appoint Mr Glyn Charlton to serve an additional 2 years up to 8/10/2013;
- (iii) To reduce the Determination of Board membership to 15 with 11 external members, 2 student members, 1 staff member and 1 Principal;
- (iv) To agree for the following minutes to remain confidential for the reasons stated in the table below:

Date	Board/ Committee	Content of Minutes/Reasons for Confidentiality
7/7/11	Board Part III Meeting	Remuneration proposals for the Principal and contractual arrangements for clerking services. As these minutes relate to named posts, to remain confidential
27/6/11	Remuneration	Remuneration proposals for Principal. As these minutes relate to named individual, to remain confidential

- (v) To note meeting dates 2011/12;
- (vi) To approve the Terms of reference for the Curriculum & Quality Committee and the Finance, Commercial & Resources Committee; and
- (vii) To note the report.

Section B: Agenda items of Strategic/High Importance

OPERATING PLAN 2010/11

- 98. The College report '*Operating Plan 2010/11* was received (copy attached to the signed minutes).
- 99. The report confirmed progress made in the implementation of all agreed operational objectives 2010/11 to ensure the achievement of the College's Key Strategic Objectives published in the Strategic Plan 2010-2013.
- 100. The Board noted that there were no red assessments being reported.
- 101. It was **RESOLVED**
 - (i) For the Principal to give further thought on including baseline targets in the Operating Plan so that readers of the document are aware of the starting position and to then set 'Smart' targets against each objective where appropriate; and
 - (ii) To note the Operating Plan 2010/11 and the progress made in the implementation of agreed strategic objectives.

COLLEGE BUDGET 2011/12 AND 3-YEAR FINANCIAL FORECASTS

102. The Board received a presentation from the Director of Finance & Resources on the process followed in the drafting of the 'College Budget 2011/12 and '3-Year Financial Forecasts' (copies attached to the signed minutes).
103. It was confirmed that both the budget and 3-year financial forecasts were subject to detailed scrutiny by the Finance & General Purposes Committee.
104. In reviewing the College Budget the following key points were noted:
- (i) Global turnover is forecast at £15, 600,000 with an overall surplus of £250k.
 - (ii) Full-time FE students is set at 854 for 16-18 and 224 for 19+with part-time numbers at 1150. HE student numbers are 580.
 - (iii) It was noted that curriculum financial modelling confirms that all curriculum areas will make a net contribution.
 - (iv) The staffing budget is £7,951,000 which is 52% of turnover (in-line with the land-based sector benchmark of 52%). The budget incorporates a pay award for 2011/12 but no decision for the Board to consider and approve on the amount of the award will be made until after September when recruitment levels will be known.
 - (v) Net commercial contributions are forecast at £130k.
 - (vi) The capital budget is forecast at £230k focusing on student residences, curriculum investment, IT, sports facilities and contingency. The capital expenditure of £230k will be funded through revenue cash flow.
 - (vii) The College has outlined two key priorities for campus priority works – refurbishment of Northbourne and the development of a sports complex. Both schemes will be funded through non cash affecting policy.
 - (viii) The College Budget Risk Register outlines all high-risks associated with the budget and proposes a range of remedial action that would be taken in the event of any of the high-risks occurring. The key risks will be the recruiting of 16-18 learners against the set allocation and the retention of the University of Greenwich envelope and rates of funding. In presentations to staff the need to achieve and hit student numbers has been made paramount. The failure to achieve recruitment targets in 2011-12 will have a negative impact on allocations for 2012 and beyond, as Colleges will only be funded on actual delivery in the previous year.
 - (ix) All the five financial objectives set by the Board will be achieved based on the forecasts in the budget.
105. In reviewing the 3-Year Financial Forecasts the following key points were noted:
- (i) The first year of the plan is based on the College Budget 2011/12.
 - (ii) Plans for the next 2 years (2012-2014) are based on a number of assumptions that are driven by priorities set by the funding bodies and the College's own analysis.

- (iii) The College's strategic financial targets will be met in each of the 3 years.
- (iv) The SFA's assessment on financial health is 'Good' for each of the three years.
- (v) That the financial objective of a third of income from Commercial, a third from FE and a third from HE will need to be subject to Board review in light of the changing funding environment.

106. It was **RESOLVED** to approve the College Budget 2011/12 and the 3-Year Financial Forecast 2011-2013 and the Chairman asked for the minutes to record the appreciation of the work of the Director of Finance in preparing the budgets.

TENDERING OF AUDIT SERVICES

107. The Chair of the Audit Committee provided an update to the Board on the recommendations arising from the interviews held on Friday 1st July 2011 for the provision of an internal audit service and the provision of financial and regularity audit.

108. It was **RESOLVED** to:

- (i) Appoint Macintyre Hudson to be the College's Internal Audit Service for the period 1st August 2011 – 31st July 2014, with the option of a further extension of 2 years; and
- (ii) Appoint Baker Tilly to be the Financial Statement & Regularity Audit for the period 1st August 2011 – 31st July 2014. with the option of a further extension of 2 years;.

109. The Chairman thanked the Audit Committee for this important piece of work.

MONITORING OF COLLEGE PERFORMANCE – OVERALL SUMMARY ASSESSMENT OF COLLEGE PERFORMANCE & ASSESSMENT OF RISK

110. The College report '*Monitoring of College Performance – Overall Summary Assessment of College Performance & Assessment of Risk*' was received (copy attached to the signed minutes). The monitoring framework approved by the Board requires the overall assessments undertaken by each Committee during the term to be made available to the Board.

111. It was **RESOLVED** to note the following overall summary of College performance and assessment of risk:

1	The Student Experience, Teaching & Learning (Agreed by the Strategy & Performance Committee)	No assessment carried out due to the cancellation of the last S&P meeting
2	Financial & Estates (Agreed by the F&GP Committee)	Some concern/risk
3	Audit	

	(Agreed by the Audit Committee)	No concern/risk
4	Staff & Human Resources (Agreed by the F&GP Committee)	No concern/risk
5	Governance, Leadership & Management (Agreed by the Governance & Search Committee)	No concern/risk

112. Against the 15 agreed performance indicators for the area of finance & estates one red assessment was confirmed for the operating surplus. In addition four amber assessments were made on cash generated, forecast year-end outturn, current assets to liabilities ratio, and cash days in hand. Therefore an overall amber assessment was being reported to the Board and Members were referred to the minutes of the F&GP Committee for further information (Agenda item 11).
113. It was agreed to revise the College Monitoring Framework to take into account the agreed changes to the Committee structure and for the framework to include super KPIs that would be reported to the Board in the overall summary.

Section C: Minutes and any resolutions arising from the Committees

REPORT FROM THE STRATEGY & PERFORMANCE COMMITTEE

114. The College report '*Unconfirmed Minutes of the Strategy & Performance Committee held 9 June 2011*' were received (copy attached to the signed minutes). The Chair of the Committee presented the report. The Chair confirmed that the Committee received and considered reports on:
- Quality Improvement Plan
 - Lesson Observations & Learners' Attendance 2nd Term
 - Destination data
 - Developing Partnerships
 - Curriculum Strategy 2011/12
 - Monitoring of College performance student experience, teaching & learning.
115. It was **RESOLVED** to note the unconfirmed minutes of the Strategy & Performance Committee meeting held 9 June 2011.

REPORT FROM THE AUDIT COMMITTEE

116. The College report '*Unconfirmed Minutes of the Audit Committee held 22 June 2011*' were received (copy attached to the signed minutes). The Chair of the Committee presented the report. The Chair confirmed that the Committee received and considered reports on:
- Audit roll Forward Action Plan
 - Internal Audit Annual report 2nd Report 2010/11
 - Termly Report on Risk Management
 - Internal Controls Framework
 - Monitoring of College performance in the area of audit
 - Annual review of the internal audit service (MacIntyre Hudson)

117. It was **RESOLVED** to note the unconfirmed minutes of the Audit Committee meeting held 22 June 2011.

REPORT FROM THE FINANCE & GENERAL PURPOSES COMMITTEE

118. The College report '*Unconfirmed Minutes of the meeting of the Finance & General Purposes Committee held 24 June 2011*' were received (copy attached to the signed minutes). The Chair of the Committee confirmed that the Committee received and considered reports on:
- Financial Position & Projections including Management Accounts to 31 May 2011;
 - College Revenue & Capital Budget 2011/12
 - 3-Year Financial Forecast 2011-2014
 - Capital Portfolio report
 - Disposal of 1 Nursery Cottage
 - Tender Report
 - Bursary Scheme
 - Human Resources Exception Report
 - Health & Safety
 - Monitoring of College performance in the areas of finance & estates; and staff & human resources
119. It was noted that the College is showing a £31,000 loss against a profit of £125,000 budgeted for the period (9 months). Associated actions that were outlined to the F&GP Committee have been implemented to move the position to profit for the year end. The loss of £31k is an improvement compared to the loss of £68k reported to the Committee at its last meeting.
120. The year-end forecast of an operating surplus of £70k against the budget of £150k, a negative variance of £80k. After taking into account net commercial activities, the net college profit is projected at £120k against the budget of £250k, a negative variance of £130k.
121. It was **RESOLVED** to note the unconfirmed minutes of the meeting of the F&GP Committee held 24 June 2011 and the resolution approved by the Committee for the disposal of 1 Nursery Cottage.
122. In discussion on the HR Exceptional Report, it was agreed to make available to the full Board a copy of the Annual HR Report after it had been subject to review by F&GP and for the Principal to consider what information in the report could be made available to all staff.
123. The draft of the College Bursary Scheme Policy was reviewed and it was confirmed that it is still subject to further work as more information is made available from the Skills Funding Agency. It was **RESOLVED** to delegate authority to the Chairs of Committees to approve the final College Bursary Scheme Policy and for any use of such delegated authority to be reported to the Board.

BANK MANDATE

124. It was **RESOLVED** to approve the following changes to the College's Bank Mandate and to confirm the authorisation limits:

125. List of signatories to be:

Paul Hannan	Principal and Chief Executive
Mark Lumsdon-Taylor	Director of Finance & Resources
Harvey Guntrip	Chair of Governors
Paul Dubrow	Governor & Chair of Finance & Resources
Gurpreet Sehmi	College Accountant
Kate Moore Finance	Office Manager

126. Signing limits to be:

- (i) Over £100,000 to be signed by Mark Lumsdon-Taylor and either Paul Hannan or Harvey Guntrip.
- (ii) £50,000 - £99,999 to be signed by Mark Lumsdon-Taylor and either Paul Hannan, Harvey Guntrip or Paul Dubrow.
- (iii) £5,000 - £49,999 to be signed by any 2 signatories. However, Gurpreet Sehmi or Kate Moore must only be one of these signatories.
- (iv) Under £5,000 any 2 signatories.

ANY OTHER BUSINESS

127. The Chairman placed on record the Board's thanks to the two student governors for their contributions and to the contributions made by the Staff Governor during her first year in post.

DATE OF NEXT MEETING

128. Thursday 13 October 2011 @ 09.30

This part of the meeting closed at 12.00

Signed: _____ Date: _____

CURRENT SUMMARY ACTION LIST

MIN	DETAILS OF RESOLUTION/ACTION POINT	WHO	REVIEW DATE
94	Ideas generated around commercial income opportunities would be taken forward with outcomes of the internal review (involving the Principal, Chairman and Vice Chairman) of the proposals reported to the Board	Principal	1/12/11
101	Principal to give further thought on including baseline targets in the Operating Plan so that readers of the document are aware of the starting position and to then set 'Smart' targets against each objective where appropriate	Principal	1/12/11

105	That the financial objective of a third of income from Commercial, a third from FE and a third from HE will need to be subject to Board review in light of the changing funding environment	DoF/ Board	At any strategy meeting scheduled 2011-12
112	To revise the College Monitoring Framework to take into account the agreed changes to the Committee structure and for the framework to include super KPIs that would be reported to the Board in the overall summary.	Clerk	13/10/11
122	To make available to the full Board a copy of the Annual HR Report after it had been subject to review by F&GP and for the Principal to consider what information in the report could be made available to all staff.	Clerk/ Principal	1/12/11
134	A further review of the management structure by the Principal will be required early in the next term to take into account any decisions made on Betteshanger, Free School, and the Greenwich Project. In addition, the review will need to take into account FE/HE student recruitment numbers in September.	Principal	1/12/11
123	To delegate authority to the Chairs of Committees to approve the final College Bursary Scheme Policy and for any use of such delegated authority to be reported to the Board	Chairs	1/12/11