



MINUTES OF THE PART I MEETING OF THE BOARD OF GOVERNORS

HELD 12 JULY 2012

Present:	Mr H Guntrip	Chairman
	Mr J Boxall	
	Ms T Bruton	
	Mr N Coffin	Vice Chairman
	Mr P Dubrow	
	Mr P Hannan	
	Mr P Morris	
	Mr B McNicoll	
	Ms P Palmer-Abbit	
	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

106. Apologies were received from Glyn Charlton, Sharon Shelton and Ben Jefferies. Theresa Bruton declared an interest against the agenda item on the Betteshanger capital project through her membership of the East Kent Spatial Development Company that has provided a grant towards the project. There were no other declared interests. The Clerk confirmed that the meeting was quorate.

ANNOUNCEMENTS

107. As this was the last Board meeting for Jeremy Boxall and Dr Margaret Noble, the Chairman on behalf of the Board thanked them for their services to the College and presented them with a leaving present to remind them of their times at the College.

MINUTES

108. It was **RESOLVED** that the minutes of the Part I meeting of the Board held 29 March 2012 be approved and signed by the Chair as a correct record.
109. The staff governor raised a concern that the minutes did not record the agreed action point that management would consult with staff on the redevelopment of the library and that staff were concerned about some of the proposals being put forward. The Chairman asked for the minutes to record the comments from the staff governor. The Chairman confirmed that the Board made the strategic decision to invest in the library but how this is developed and implemented is an operational matter and therefore falls within the remit of the Principal. The

Principal confirmed that consultation is on-going and staff views will and had been taken into consideration in the planning of the library.

SUMMARY ACTION LIST & MATTERS ARISING

110. The College report '*Summary Action List*' was received (copy attached to the signed minutes). The following updates were made available:

MIN REF	DETAILS OF RESOLUTION/ACTION POINT	UPDATE AS OF 12/7/2012
16	Financial objective of a third/third/third and commercial ideas were discussed at the February strategy meeting with a further update to be made available at the July Board meeting	Report attached to SAL- It was AGREED to approve the recommendation from F,C&R for the split to be 30/30/40.
69	Operating Plan: the 'When' column be used to record the specific target date for completion rather than the year '2015' that is listed against all objectives	Agenda item 5
81	To receive a progress update on the foundation Code of Governance	The Corporation is now fully compliant with the Code as confirmed in the minutes of the G&S Committee – agenda item 4(i)
84	Governors response to questions asked on the framework to monitor College performance to be reviewed by the Clerk with outcomes reported at the July Board meeting	Agenda item 12
101	Betteshanger: (i) To approve 'In-Principle' the proposed Heads of Terms and Dowry Plans, subject to: a) full legal compliance being obtained; b) full mitigation of all identified risks; c) full achievement of objectives 1-6, with supporting business plan; and d) for work to achieve sign off by not later than 30 th June 2012. And (ii) That approval be subject to final review by the Chairs of Committees before signing with the HCA/DCC before June 2012.	Agenda item 7
105	(i) Under Board delegated authority, a sub group to be formed to review and approve a new structure for pay awards for 2012/13;	Agenda item 15

	<p>(ii) Under delegated authority, the sub group to consider and approve pay awards for 2011/12 and 2012/13 for the 'Executive Group', SMT and staff; and</p> <p>(iii) Decisions taken under delegated authority to be reported to the July Board meeting</p>	
12/6	To receive confirmation on the arrangements for the delivery of Diplomas from September 2012	It was confirmed that this is still under discussion with staff and that the policy to confirm transfer arrangements is still subject to discussion. Subsidiary Diplomas will be available from September.
12/6	To receive confirmation of super KPIs agreed by Committees and the revised Monitoring Framework 2012/13	Agenda item 12

111. It was **RESOLVED** to note the report.

GOVERNANCE MATTERS

112. The College report '*Governance Matters*' was received and introduced by the Clerk (copy attached to the signed minutes).

113. It was **RESOLVED**:

- (i) To note the minutes of the Governance & Search Committee meeting held 17 May 2012;
- (ii) To agree to re-appoint Mr P Dubrow, Mr H Guntrip and Mr B McNicoll to serve as governors for the period 1 August 2012 to 31 July 2016;
- (iii) To increase the Determination of the Board to 16 Members;
- (iv) To agree to appoint Ms L Currie, Ms S Hart, Mr C Potter, and Mr J Standen to serve as governors for the period 1 August 2012 to 31 July 2016;
- (v) To approved revised Instrument & Articles;
- (vi) To note full compliance with the Foundation Code of Governance;
- (vii) To appoint Harvey Guntrip to serve as Chairman and Nick Coffin to serve as Vice Chairman for the period 1 August 2012 – 31 July 2013;
- (viii) To note dates of meetings for 2012/13; and
- (ix) To note Committee membership 2012/13.

Section B: Agenda items of Strategic/High Importance

OPERATING PLAN 2011/12

114. The College report '*Operating Plan 2011/12* was received (copy attached to the signed minutes).

115. The report confirmed progress made in the implementation of all agreed operational objectives 2011/12 to ensure the achievement of the College's Key Strategic Objectives published in the Strategic Plan 2010-2013.

116. The Board noted that there were no red assessments being reported.

117. It was **RESOLVED** to note the Operating Plan 2011/12 and the progress made in the implementation of agreed strategic objectives. It was noted that this would be the last time that this report is presented to the Board as monitoring of the strategic plan will be done through reporting on Super KPIs. However, the operating plan will still be made available to governors through e-governance portal arrangements.

COLLEGE BUDGET 2012/13 AND 3-YEAR FINANCIAL FORECASTS 2012 - 1015

118. The Board received a presentation from the Director of Finance & Resources on the process followed in the drafting of the '*College Budget 2012/13 and 3-Year Financial Forecasts 2012-2015*' (copies attached to the signed minutes).

119. It was confirmed that both the budget and 3-year financial forecasts were subject to detailed scrutiny by the Finance, Commercial & Resources Committee.

120. In reviewing the College Budget the following key points were noted:

- (i) Global turnover is forecast at £16, 500,000 with an overall surplus of £250k.
- (ii) Full-time FE students is set at 960 for 16-18 and 229 for 19+with part-time numbers at 1150. HE student numbers are 660.
- (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 51% of turnover (in-line with the land-based sector benchmark of 53%). The budget incorporates a pay award for 2012/13 which will be discussed at the July Board meeting for approval.
- (v) Net commercial contributions are forecast at £207k.
- (vi) Campus priority works are forecast at £950k of which £550 will be funded through reserves and £400 through a commercial loan. The internal Capital programme is forecast at £250k, of which £150k will be funded through cash flow and the remaining £100k through the commercial loan.
- (vii) The Board at its July meeting will be asked to approve the reorganisation of the College's variable debt position as proposed in appendix ii of the College budget. The College will maintain its fiscal rule of borrowing not exceeding 30% of turnover.
- (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.

121. It was confirmed that all the five financial objectives set by the Board will be achieved based on the forecasts in the budget.

122. The 3-year financial forecasts have been completed using the template prescribed the SFA. The forecasts confirm a financial health assessment of 'Good' for 2011/12; 2012/13; and 2013/14; and 'Outstanding' for 2014/15.

123. It was **RESOLVED**

- (I) To approve the College Budget 2012/13;
- (II) To approve Performance Pay Structure 2012/13;

- (III) To approve the reorganisation of the College's variable debt position as proposed in appendix ii of the College budget and to note that the College will maintain its fiscal rule of borrowing not exceeding 30% of turnover;
- (IV) To approve the 3-Year Financial Forecast 2012-2015; and
- (V) For the minutes to record the Board's appreciation of the work of the Director of Finance in preparing the budgets.

CAPITAL UPDATE

124. The confidential report '*Capital Update*' was received (copy attached to the signed minutes). The report provided the Board with a progress update on the Betteshanger project and made available to Board members the report that was considered in detail at the last meeting of the Finance, Commercial & Resources Committee.
125. The Board noted the updates provided on funding, risks, and appropriate exit strategy. The Board has approved 'In-principal' the Betteshanger project subject to legal vetting and receipt of public and private funding. Final approval will be put to a special Board meeting in the autumn term and the Clerk advised that the special meeting should have no other agenda items to consider other than Betteshanger.
126. It was **RESOLVED** to note the report and to note the resolutions agreed at the meeting of the Finance, Resources and Commercial Committee meeting held 28th June 2012.

Section C: Minutes and any resolutions arising from the Committees

REPORT FROM THE CURRICULUM & QUALITY COMMITTEE

127. The College report '*Unconfirmed Minutes of the Curriculum & Quality Committee held 14 June 2012*' 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
 - Retention Report
 - Lesson Observations & Learners' Attendance 2nd Term
 - Destination data
 - Monitoring of College performance student experience, teaching & learning.
128. The Board welcomed confirmation that current FE and HE retention as at May 2012 were 90% respectively. Due to the improvements made to in-year retention, and with positive forecasting on end-year success rates, the Board noted that the Committee agreed that the previous assessment of amber, some risk/some concern, was no longer appropriate as significant progress had been made to improve student experience, teaching and learning. The Committee agreed that the current assessment is therefore 'No concern/No risk' and the Board confirmation of this assessment.

129. It was **RESOLVED** to note the unconfirmed minutes of the Curriculum & Quality Committee meeting held 14 June 2012.

REPORT FROM THE AUDIT COMMITTEE

130. The College report '*Unconfirmed Minutes of the Audit Committee held 29 June 2012*' 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 2011/12
- 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)

131. It was **RESOLVED** to note the unconfirmed minutes of the Audit Committee meeting held 29 June 2012.

132. Attached to the minutes was a copy of the identified high strategic risks so as to inform the Board of these risks. The Board noted that the minutes record the action point for the Clerk and Director of Finance to work on ideas to further develop the role of the Audit Committee in terms of compliance, risk, oversight and corporate social responsibility; and how this is reported to the Board.

REPORT FROM THE FINANCE, COMMERCIAL & RESOURCES COMMITTEE

133. The College report '*Unconfirmed Minutes of the meeting of the Finance, Commercial & Resources Committee held 28 June 2012*' 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 2012;
- College Revenue & Capital Budget 2012/13
- 3-Year Financial Forecast 2012-2015
- Capital Portfolio report
- Revised Financial Memorandum
- Tender Report
- Bursary Scheme
- Human Resources Exception Report
- Health & Safety
- Monitoring of College performance in the areas of finance & estates; and staff & human resources

134. The Board noted that the forecast year-end out-turn is for a surplus of £225k against the budget surplus of £250k, a negative variance of £25k. College cash flow remains ahead of the planned budget and the capital budget is in line with the agreed budget.

135. It was **RESOLVED** to note the unconfirmed minutes of the meeting of the Finance, Commercial & Resources Committee held 28 June 2012.

Section D: Monitoring

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

136. 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.

137. 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 Curriculum & Quality Committee)	No concern/risk
2	Financial & Estates (Agreed by the F,C&R Committee)	No concern/risk
3	Audit (Agreed by the Audit Committee)	No concern/risk
4	Staff & Human Resources (Agreed by the F,C&R Committee)	No concern/risk
5	Governance, Leadership & Management (Agreed by the Governance & Search Committee)	No concern/risk

138. Against the agreed 13 super KPIs, 4 amber assessments (some concern/risk) were confirmed for the following:

- Overall College Success Rate
- HE Recruitment
- 19+ Apprenticeship recruitment
- Forecast year end out-turn against budget

139. It was **RESOLVED** to note the report.

MONITORING FRAMEWORK 2012/13

140. The College report '*Monitoring Framework 2012/13*' was received (copy attached to the signed minutes). As requested at the last Board meeting, each Committee reviewed its monitoring framework and reviewed the Super KPIs to be reported to the Board at each meeting. A total of 18 Super KPIs were identified for reporting to the Board including the following new ones:

- Learner attendance
- Lesson observation profiles
- Global Risk Register Assessment
- Current Staff turnover
- Pay expenditure as a % of income

141. It was **RESOLVED** to approve the '*Monitoring Framework 2012/13*'.

ANY OTHER BUSINESS

142. A progress update was made on the Free School submission. There was no other business.

DATE OF NEXT MEETING

143. Thursday 11 October 2012 @ 09.30

The meeting closed at 12.20

Signed: _____ Date: _____

SAL

Minute 128: The Board has approved 'In-principal' the Betteshanger project subject to legal vetting and receipt of public and private funding. Final approval will be put to a special Board meeting in the autumn term and the Clerk advised that the special meeting should have no other agenda items to consider other than Betteshanger.