

GOVERNING BODY

Minutes of the meeting of the Governing Body held on 13th July 2015 at Barnstaple Campus

Present: Paul Petrides (Chair), Jeff Andrew, Martin Chance, Shaun Cooper (Items 2-19), Ro Day (Items 1-16), Diane Dimond, David Gibson, Martyn Gimber, Andrew Lovett (Item 1), Andrew Mosedale, Lee Norburn (Items 1-13), Andrew Pierce (Items 1-13), Joanna Prylinska, Paula Stein, Ollie Tuck and Eirene Williams.

In attendance: Neil Hookway, Susan Lewry, Pené Prior and David Williams (Item 1).
Members of the new Senior Management Team attended for Item 1.

1. Strategic Review – Confidential Report

- 1.1 Received a presentation from David Williams, Strategic Review Consultant, giving a summary overview of the recently published report.
- 1.2 Governors and member of the senior management team took the opportunity to raise points for clarification either from the report, or from the presentation.
- 1.3 David Williams was thanked by the Chair for coming to the College to present the report, it was very much appreciated.
- 1.4 It was agreed that, in principle, the College would proceed to a Structure and Prospects Appraisal, but that Paul Petrides would discuss recent developments with the Chair of Exeter College and report back to the Board. Governors were reminded of the joint Board meeting scheduled for Monday 20th July at 5.00pm at Mid-Devon Campus.

2. Apologies for Absence

- 2.1 Apologies for absence were received from Laura Elliott and from Andrew Lovett for the general part of the Board meeting.

3. Confidential Items

- 3.1 It was agreed that Item 1 (Strategic Review), the confidential section of Item 5 (Minutes of the last meeting), Item 8 (Principal's Report), Item 9

(Income and Expenditure Budget 2015/16 and forecasts for 2016/17), part of Item 12 (HR update), Item 14 (Bad Debts Report), Item 15 (Strategic Investment Working Group/Brannams update) and Item 18 (Joint Working Group notes) would remain confidential to the Governing Body for the time being.

4. Declaration of Interests

4.1 Declarations of Interest were received from Jeff Andrew (Item 13), David Gibson (Items 13 and 18), Paul Petrides (Item 13), Andrew Pierce (Item 18) and Paula Stein (Item 18) in relation to the election of Chair and Vice-Chair and Membership matters.

5. Minutes

5.1 The minutes of the meetings of the Governing Body held on 15th June 2015 were confirmed and signed.

6. Matters arising from the minutes

6.1 **Confidential Item 10.6 – HR update** – the Clerk reported on her conversation with the External Auditors, Mazars, where she sought advice on a governance matter.

7. Business brought forward by direction of the Chair

7.1 Governors were advised of an opportunity to bid to the Local Enterprise Board (LEP) for a Hinkley C project proposal to develop IT platform and infrastructure to deliver cogent skills accredited qualifications as well as develop facilities at Mid Devon to deliver steel erector training for the nuclear industry. The bid would need 50% match-funding, but the match would be identified through the College's planned IT spend for 2015/16. Governors' approved the submission of the bid and noted there would be no additional costs to the College.

8. Principal's Report - confidential

8.1 Received and considered the termly report of the Principal.

8.2 Governors discussed the new Ofsted common inspection framework and the possible timeframe for inspection. The Principal gave a brief overview of the new framework and Governors noted that a full briefing has been scheduled for the Autumn Term.

8.3 In response to questions raised, Governors were advised that the data indicates that Petroc ranks 19th in the top 10% of Colleges but that the new criteria has a wider brief, particularly on leadership and management. It was confirmed that the College is prepared for inspection, which it is anticipated could be in early 2016.

8.4 Governors discussed the recent meetings with JCC and noted the update.

9. Income and Expenditure Budget 2015/16

- 9.1 Received and considered the 2014/15 projected outturn as at month 10, the proposed Income and Expenditure Budget 2015/2016 and financial plans for 2016/2017, from the Principal.
- 9.2 Governors' noted that the budget has been set on the basis of the £3m of efficiency savings that are needed. £2m has been identified from pay costs and £1m from non-pay costs, working to a surplus of £250,000.
- 9.3 The Principal advised that going forward 2016/17 is increasingly challenging with further reductions in the Adult Skills Budget and increased National Insurance contributions; a further impact could be the declining 16-18 demographics. The forecast indicates further savings of £1.5m are needed in 2016/17 and the college are planning a strategic review of the adults' provision in order to identify savings. Governors noted that February/March 2017 is the pinch point for cash and would need to be monitored closely.
- 9.4 With regard to Capital Expenditure, it was noted that, in addition to the known spend for the CCIF project, £750k had been modelled in for 2015/16 and £350k for 2016/17.
- 9.5 Governors discussed the risks associated with the identification of savings in 2016/17 alongside the continuing adult funding cuts, and noted that this could prove a key risk for the college.
- 9.6 Governors formally approved the Budget for 2015/16 as presented.

10. Internal Audit Plan 2015/16

- 10.1 Received and considered the Internal Audit Plan 2015/16 which had been considered by the Audit Committee at their meeting on 1st July 2015. Governors accepted the recommendation of the Audit Committee that the Internal Audit Plan be approved.

11. Risk Management

- 11.1 Received and considered the Risk Management Policy and discussed proposals for monitoring strategic risks and Board assurance going forward.
- 11.2 Governors were advised by the Chair of the Audit Committee that a revised approach to risk management was being recommended, moving from a bottom up to top down approach with the identified strategic risks driving the framework. Governors were asked to note that work on finalising the framework and agreeing the appetite and category definitions for risk is on-going and, once complete, will be considered by the Audit Committee at their autumn term meeting and by the Board to support their Annual Statement of Corporation Governance and Internal Control.

- 11.3 The Chair of the Audit Committee advised Governors that it is intended that a scheduled is drawn up for the Board to monitor one or two strategic risks, and the controls in place, at their regular Board meetings. It was confirmed that this has been scheduled into the 2015/16 cycle of business.
- 11.4 Governors approved the Risk Management and Board Assurance Policy for adoption, subject to the completion of the risk appetite section. Governors also approved the draft framework for the monitoring of strategic risks and board assurance, for monitoring by the Audit Committee.

12. HR Report - Confidential

- 12.1 Received an update from the Deputy Principal/Director for Quality and Performance and the Director for Resources on the progress of the Curriculum/HR Review. The Deputy Principal/Director for Quality and Performance gave a summary report on the structural changes for curriculum delivery in 2015/16, which had now been completed.
- 12.2 Governors considered the Staff Development Priorities for 2015/16 for approval.
- 12.3 The Director for Resources responded to a number of questions from Governors on the staff development priorities and it was confirmed or agreed that:
- applications from staff were considered against the strategic priorities;
 - going forward a percentage of the budget, geared towards IT upskilling, would be identified separately;
 - the amount spent internally, e.g. with Petroc Direct, or other areas of the college would be identified v. externally sourced development.
- 12.4 Governors suggested that consideration is given to identifying the costs of abatement given and including this in the Staff Development budget. The Staff Development priorities for 2015/16 were approved by the Governing Body.
- 12.5 The Management Policy Statement was approved for adoption.

13. Election of Chair and Vice-Chairs for 2015/16

- 13.1 There having been only one nomination each for the positions of Chair and the two Vice-Chairs of the Governing Body, it was proposed, and unanimously agreed, that Paul Petrides be appointed Chair of the Governing Body and Jeff Andrew and David Gibson be appointed Vice-Chairs of the Governing Body for 2015/2016.

14. Bad Debts

- 14.1 Received and considered a report on bad debts in excess of £1,000.

14.2 Governors were advised of the steps that had been taken to recover the amounts and, following consideration, approved the write off of the bad debts as listed in the confidential report.

15. Strategic Investment Working Group - confidential

15.1 Received and considered a report from the Strategic Investment Working Group updating the Board following recent discussions that had taken place with key stakeholders.

15.2 Governors were referred to the confidential Brannams paper which was submitted as an update to the recent Audit Committee meeting, but which had also been considered by the Strategic Investment Working Group.

15.3 Following consideration, Governors approved the engagement of a specialist to commence negotiations regarding the leasing of the Brannams campus.

16. Search and Governance Committee

16.1 Received and considered the draft minutes of the Search and Governance Committee held on 6th July 2015 and noted that, following review of the skills audit, the Committee consider the skills balance of the Board to be appropriate.

16.2 The Governing Body noted that Andrew Lovett, and the two Student Governors, Joanna Prylinska and Ollie Tuck would be standing down from the Board and the end of the August.

16.3 The Governing Body approved the recommendations of the Committee, as follows:

16.4 **Re-appointment of Governors** - Agreed that the following Governors be re-appointed for the periods indicated.

Name	Re-appointed from	To
David Gibson	1 st September 2015	31 st August 2018
Andrew Pierce	1 st September 2015	31 st August 2016
Paula Stein	1 st September 2015	31 st August 2016

16.5 A number of Governors (8) had recently attended the Prevent training and it was noted that another training session would be arranged for the autumn term for those who were unable to attend.

17. Audit Committee

17.1 Received and considered the minutes of the Audit Committee (draft) held on 1st July 2015.

- 17.2 The Chair of the Committee highlighted the Internal Audit reports received and, in particular, the Long Term Planning audit recommendations, which had all been accepted and were being action planned.
- 17.3 Governors were referred to the paper on FRS102 and the decisions which need to be made before 2015/16 financial year commences. Governors considered the following recommendations:
- Treatment of capital grants – it is recommended that the College continues using the accrual method, particularly as there are no opportunities for new grants in the foreseeable future. This would also avoid large income and expenditure and contribution to overheads variations.
 - One off valuation of property, plant and equipment – it is recommended that this option is not implemented due to the effect on depreciation if the value is higher.
- 17.4 In response to a question raised, Governors were advised that discussions have taken place with Barclays and Lloyds and it has been agreed that once the Accounts have been finalised they will be restated to assess what difference FRS102 makes.
- 17.5 Governors approved the above recommendations as outlined.

18. Joint Working Group

- 18.1 Received the notes of the Joint Working Group recently held with Exeter College, which had been reported on verbally to the last meeting.

19. Student Governors

- 19.1 Received end of year reports from both Student Governors.
- 19.2 Ollie reported that he believed he had gained a lot from his experience as a Student Governor and had enjoyed the debates, and hearing the differing views on matters for discussion. He has welcomed being on the Governing Body and being able to have a say in the decision-making, particularly on the College's future.
- 19.3 He has, however, found it difficult to feedback to the rest of the student body and suggests that, through the role going forward, it would be useful to identify ways for Governors to liaise more with students and that perhaps this could be given as a focused and timed project for one of the new student governors. Ollie thanked Governors for helping him settle into the role, which he has very much enjoyed, and he thanked the Clerk for her time and support.
- 19.4 Joanna also reported that she endorses Ollie's sentiments. She had really enjoyed the experience, in particular the Governor, staff and student events which she had organised throughout the year, which were very well received, and helped to raise awareness of governance and help governors hear the learner voice first-hand.

- 19.5 Joanna advised that a new Student Sabbatical Officer had just been appointed and she had met Charlotte to hand-over the reins before Joanna finishes at the end of July.
- 19.6 On behalf of the Board, Paul Petrides thank Joanna and Ollie for their contribution to the Board this year. Their input and insight of the learner voice had been very much appreciated. Joanna was thanked for being the college's first ever Sabbatical Officer and making a big success of the role.

For information only

Governors noted the following reports received for information:

- Report on the number of complaints/compliments received in 2014/15
- The Month 10 Management Accounts.

The meeting ended at 7.41pm

The above minutes are subject to confirmation at the next meeting of the Governing Body. In the meantime, action can, and should, be taken on the decisions made.