

## GOVERNING BODY

**Minutes of the meeting of the Governing Body  
held at 17:00 on 11<sup>th</sup> July 2016 at Barnstaple Campus**

**Present:** Paul Petrides (Chair), Jeff Andrew, Martin Chance, Shaun Cooper, Charlie Curzon, Ro Day, Diane Dimond, Kevin Finan, , David Gibson, Martyn Gimber, Andrew Pierce, Paula Stein and Eirene Williams.

**In attendance:** Jane Barton, Sheena Murphy-Collett and Pené Prior  
**Clerk:** Bettina Walker

### 1. **APOLOGIES FOR ABSENCE AND OBSERVERS**

Apologies for absence were received from Amy Bayet, Andrew Chapple, Laura Elliott, Andrew Mosedale and Lee Thommen.

The Chair welcomed the following as Observers to the meeting:  
Lindy Stacey – External Governor from September 2016  
Laura Mae Cunningham – Student Sabbatical Officer for 2016/2017.

The Chair also welcomed the new director of HR and Organisational Development, Sheena Murphy-Collett, to her first meeting.

### 2. **CONFIDENTIAL ITEMS**

It was agreed that the following reports would remain confidential to the Governing Body because of their business sensitive nature:

- Item 7 – Principal’s Report
- Item 8 – Notes of the Strategic Investment Working Group
- Item 11 – Petroc Budget 2016/2017
- Confidential items without staff and students present: Items 14 and 15

### 3. **DECLARATION OF INTERESTS**

The six External Members of the Governing Body due to be considered for re-appointment declared an interest under Matters Arising, Item 5.

### 4. **MINUTES**

**15/151**

- 4.1 The minutes and confidential minutes of the meeting of the Governing Body held on 8<sup>th</sup> June 2016 were confirmed as a true record of the meeting and were signed by the Chair.
- 4.2 The minutes of the Special meeting of the Governing Body held on 16<sup>th</sup> June 2016 were confirmed as a true record of the meeting and were signed by the Chair.

## **5. MATTERS ARISING FROM MINUTES**

### **5.1 8 June - Reference Minute 5.1 15/152**

The Governing Body noted that, due to unforeseen confidential circumstances, the decision on re-appointments of Governors whose term of office was coming to an end on 31 August 2016, namely Jeff Andrew, Paul Petrides, Andrew Pierce, Ro Day, Paula Stein and Eirene Williams, would have to be postponed.

Following discussion, the ***Governing Body agreed to avoid any short term gaps in Board membership and therefore to extend the terms of office of these six Governors for just over one month, up to and including the Governing Body meeting on 3 October 2016.***

The Governing Body noted that Andrew Mosedale had informed the Chair that he would not be seeking to be re-appointed at the end of his term of office on 31 August 2016.

Andrew Pierce's term as Vice Chair of the Board was almost completed, and he had indicated that he would not stand for re-election.

***The Governing Body agreed to extend Andrew Pierce's term as Vice Chair of the Board up until a new Vice Chair could be appointed.***

***The Board also agreed to make a call for nominations for Vice Chair of the Governing Body in July, with a view to being able to appoint a new Vice Chair at the next meeting of the Governing Body on 3 October 2016.***

### **5.2 16 June - Reference Minutes:**

The Principal reported that the recently recruited Vice Principals would be joining the College on the following dates:

Jane Hanson, Vice Principal Quality, Curriculum & Learners  
- 4 August 2016

Debbie Miller, Vice Principal Business Development, Marketing & Curriculum  
- 1 September 2016

Bill Blythe, Vice Principal Finance & Resources - 1 November 2016  
although he was negotiating some transition days prior to this start date.

## **6. BUSINESS BROUGHT FORWARD BY THE CHAIR**

There was no business brought forward by the Chair.

## **7. PRINCIPAL'S REPORT (Confidential) 15/153**

## **8. STRATEGIC INVESTMENT WORKING GROUP (Confidential) 15/154**

## **9. RISK MANAGEMENT** **15/155**

- 9.1 The Acting Director of Finance & Funding reported that the Strategic Risk Management Framework had been reviewed, as the previous system was an operational “bottom up” approach. The responsibility for ensuring risks were being mitigated by the College rested with the Governing Body, so Governors needed to be assured that risks were being adequately managed.
- 9.2 During the discussion at the most recent Audit Committee meeting, members had debated the balance between ownership and oversight of risks, where the focus should be on strategy and not operational matters, whilst, of course, remaining assured that risks were being mitigated. RSM (the College’s Internal Audit firm) had advised that the review of strategic risks should be seen as a useful management tool, and that individual governors needed to be comfortable about answering the following questions:-
- a) I know what the College’s key strategic risks are; and
  - b) I am assured that there are processes and controls in place for those risks to be adequately mitigated.
- 9.3 The Internal Auditor had offered to run a governor focus session on the governors’ role in risk management and the Governing Body considered that this offer should be taken up with a session taking place during the Governor Awayday in November.
- 9.4 The Risk Management and Board Assurance Policy had been updated with a risk appetite section describing the scoring mechanism. The ***Governing Body approved the revised Risk Management and Board Assurance Policy.***

## **10. QUALITY AND LEARNER REPORT** **15/156**

### **10.1 Annual Report on Complaints and Compliments**

Governors ***noted the Annual Report on Complaints and Compliments.*** The number of complaints received during the year had decreased compared to last year. Of the 51 complaints received, two were unresolved as at 28 June; in both cases, the complaint was under investigation, the complainant had been contacted by the College and a dialogue continued.

The College also had a system for collecting and distributing compliments to staff; these could be made by one member of staff to another or from a student, parent or other member of the community who felt sufficiently pleased with the service to write to the College. The Governing Body discussed the various other formal and informal methods by which compliments could be collected.

### **10.2 Annual Report on Student Exclusions**

Governors ***noted the Report on Student Exclusions*** and was pleased to note that just one student had been excluded during the year.

## **11. FINANCE REPORT** **15/157**

### **11.1 Budget and Two Year Financial Forecast (Confidential)**

#### **11.2 Management Accounts and Report on Bad Debt**

Governors received and considered the Month 10 Management Accounts which forecast an end of year surplus of £250k on the College's core activities.

Governors noted the bad debt which could not be recovered for a number of reasons, such as individual circumstances including health issues. The Board **authorised for the bad debt stated in the report to be written off.**

#### **11.3 Financial Regulations**

The Financial Regulations were based on the Chartered Institute of Public Finance (CIPFA) model and had been revised to include the latest recommended changes.

The Board noted that depreciation threshold for approval by Governors used had been taken from FE Sector norms provided by Grant Thornton.

Governors noted that the bad debt figure had been increased to £3000 in line with benchmarking data in the FE Sector.

A section on Project Control had been included as advised by the College's Internal Auditors. The Governing Body discussed the delegation of responsibility for the management of major projects, the structure of payment limits and made a number of suggestions.

The **Governing Body adopted the revised Financial Regulations, including the section on Project Control, but asked for discussions to be considered and any further revisions to be presented for review to the Board during the 2016/2017 academic year.**

## **12. AUDIT COMMITTEE REPORT** **15/158**

12.1 The Audit Committee had reviewed the Internal Audit Services and Financial Statement Audit Services contracts, and had recommended that both services continue for a further year. The College was satisfied with the quality of service provided by each of the audit firms.

12.2 The **Governing Body re-appointed RSM as the College's Internal Audit Service for one additional year to cover 2016/2017.**

12.3 The **Governing Body re-appointed Mazars as the College's Financial Statements Auditors for one additional year to cover the 2016/2017 financial year.**

12.4 The Board noted the Audit Committee's recommendation that the College should go out to tender for both Internal and Financial Statements Auditors in 2017.

- 12.5 The **Governing Body agreed that the College should go out to tender in early 2017 for Internal Audit Services to provide the service for the 2017/2018 academic year onwards.**
- 12.5 The **Governing Body agreed that the College should go out to tender in summer 2017 for Financial Statements Audit Services to provide the service for the 2017/2018 financial year onwards.**
- 12.6 The Accounting Policies had been revised in line with the new accounting standard, FRS102, and the **Governing Body adopted the revised Accounting Policies.**
- 12.7 The Audit Committee had discussed the Internal Audit Plan for 2016/2017 with RSM. The **Board approved the Internal Audit Plan for 2016/2017 stating 36 audit days.**
- 12.8 The Governing Body noted the Audit Services Memorandum prepared by Mazars for the audit of the College's Financial Statements for the year ending 31 July 2016.
- 12.9 The Governing Body noted the draft minutes of the Audit Committee held on 28 June 2016.

### **13. HR SUMMARY REPORT 15/159**

- 13.1 The College had made some proposals for rationalisation of contracts and the halting of automatic incremental pay progression as part of general efficiency measures during 2014/2015.
- 13.2 Governors had been made aware of the elements of the Failure to Agree Notice received from the University and Colleges Union (UCU) in November 2015 namely for:-
- (i) Removal of automatic incremental pay progression.
  - (ii) Introduction of a "bar" in what is currently the L2 pay scale.
  - (iii) Management Policy Statement (2015/16) proposal to impose differentiated maximum annual teaching contact hours.
- 13.3 The removal of incremental pay progression had been introduced for all new members of staff joining the College after 1 September 2015. A large number of existing staff were already at the top of their incremental scale. Following discussion with the Joint Consultative Committee (JCC) during 2015/2016, UCU had agreed to withdraw the Failure to Agree Notice.
- 13.4 The College would continue to work on reviewing the framework for contracts and payscales to ensure an efficient and flexible workforce. The College was also looking at reviewing the staff appraisal process, linking this more strongly with performance management.
- 13.5 The Governing Body noted that these measures would take some time to implement.

13.6 The recent introduction of a National Minimum Wage had been applied to some cleaning and catering staff at the College, and the impact on increased staffing costs would be monitored.

As this was her last meeting with the Governing Body, the Chair thanked Pené Prior for all her contribution to the college over the past seven years and wished her well in her retirement.

This was also Charlie Curzon's last meeting, and the Chair thanked Charlie for her contribution to the Governing Body over the past year.

### **Date of Next Meeting**

Governors noted the following meetings schedule in 2016/2017:

Monday 3<sup>rd</sup> October 2016

Monday 14 November 2016 – Governor Awayday – 10:00 to 18:00

Wednesday 14 December 2016

Monday 30 January 2017

Monday 13 March 2017 – at Tiverton

Monday 24 April 2017

Wednesday 7 June 2017 – at Tiverton

Monday 10 July 2017

The meeting ended at 19:45

*Notes of the confidential item 14 without staff and student members present were kept under separate cover*