



DIRECTORS' MEETING Minutes of the meeting on 28 June 2018

Present: Ms Michelle Balcombe, Mr Peter Cooper, Dr Marion Hawkins, Dr Ken Hopkins (Chair), Mrs Heidi Macdougall, Mr James Miller, Mr Andrew Parsons, Mr Phil Tranter, Mrs Emma Telford, Mrs Shirley Tully, Ms Andrea Webb (11)

In attendance: Jacquie Lake (Deputy Principal), Mr Robert Gorman (Clerk), Mrs Sallyanne Griffiths (Finance Director), Mr Callum Berry (Student Governor), Miss Hannah Drury (Student Governor)

Ken Hopkins and Heidi Macdougall left the meeting at this point

1. **ELECTION OF CHAIR AND VICE-CHAIR FOR ACADEMIC YEAR 2017-18**

The Chair had circulated a statement indicating that he was ready to stand down, but felt that, with on-going negotiations effecting the future direction of the College, he should continue, not for a full year, but until the College's strategic future became clearer. Deputy Chair, Heidi Macdougall, had also confirmed her intention to retire from the Board at the end of term on 13 July. It was proposed, seconded and all agreed, that Dr Ken Hopkins be re-elected as Chair of the Board and Mr James Miller as Vice-Chair, with the understanding that he step up to become Chair in due course. This gives the new Vice Chair the opportunity to be involved in the various discussions in the negotiation period.

Ken Hopkins and Heidi Macdougall re-joined the meeting at this point

The Chair, presenting Heidi with flowers and champagne, thanked her for her loyal, gracious and committed support to the College.

2. **APOLOGIES FOR ABSENCE**

Mr Vernon Amor. (1)

The Clerk announced the resignation of Martin Churchward from the Board with effect from 25 June due to business commitments. The Chair had thanked Martin for his support over the years, especially when so busy with his various enterprises.

3. **DECLARATIONS OF INTERESTS AND GIFTS**

None.

4. **MINUTES OF THE MEETING HELD ON 17 MAY 2018**

The Clerk indicated a correction to the minutes: Clerk's report penultimate line, the word 'not' to be inserted before 'all end'. The Minutes were then approved as an accurate record and signed.

5. **MATTERS ARISING FROM THE MINUTES**

None.

6. **CLERK'S REPORT**

Board strength stands at 12 members, falling to 11 at the end of term. The Board had previously discussed the difficulty arising from the first Directors all being appointed on 28 November 2016, and had agreed that the way to mitigate the effect was for a few Directors to offer themselves for resignation and reappointment, or not. The Clerk had written to the first group individually. Heidi Macdougall had indicated her intention to resign, as recorded above, and Michelle Balcombe, Shirley Tully and James Miller had agreed to offer their resignations as Directors on 31 August, seeking reappointment on 1 September 2018. The Board **AGREED** and the Clerk will arrange a Members' Written resolution in respect of the reappointments.

There were presently 3 prospective co-opted members to the Curriculum and Staff and Students Committees, with 1 Parent Director due to be elected next term. The Search Committee will meet to make recommendations to the next Board meeting.

The Clerk confirmed that Directors, after several years of service on one committee, are encouraged to move to another, in order to broaden their experience and contribution, and invited existing Directors who wish to join another or change their Committee to let him know.

The Clerk thanked Directors for completing and returning the revised and extended Governance Self-Assessment Questionnaire.

7. **PRINCIPAL'S REPORT**

The Principal presented his report, thanking Directors, and in particular Heidi Macdougall, for their support, advice and encouragement during his first, interesting and challenging year as College Principal.

The report included a full listing of new teaching staff and 'leavers' confirmed for September 2018. In response to a member's question about strength of field in appointments, generally, the Principal indicated that, often the field was not as large as he would have liked, but he was happy with the appointments in every case, and there were no unfilled vacancies. In relation to Sports, the College has gone down the route of recruiting Sports Coaches.

The Ofsted programme of inspections only includes 'Outstanding' colleges where performance has declined. A new Framework will be unveiled in 2019.

In relation to Accommodation, minor works over the summer include a new Media Studies suite and another IT classroom to house expanding vocational courses. The Board had agreed the College's Strategic Development Plan to 2019/20, including Accommodation Strategy, and the College intended to proceed with the work to Aconbury roof over IT, and the more ambitious project to improve the changing, dance and catering facilities, and replacing the mobile classrooms in line with 3rd party recommendations. The Board **APPROVED THIS STRATEGY**.

Local issues included NMITE moving forward but with a new Vice Chancellor in place. Nationally, there was no good news from Government on funding, and future pay claims would be significant. All indicating that colleges, having little control over these situations, would have to live within their means.

The Principal went on to report on Multi Academy Trust developments

The Chair with the Principal had been involved in discussions, with the representative of the Regional Schools Commissioner and others, about the possibility of the College becoming a MAT, initially with another SFC, without any commitments at that stage. Directors had discussed this at Conference on 9 March, and had met on 1 May with Bill Watkin, CEO of the SFCA, who had outlined what was involved in converting to a MAT model, and the options available to colleges seeking to become a MAT. Bill Watkin had worked with other SFCs to facilitate similar MAT discussions. Directors had explored, on 1 May, some of the issues raised, and had agreed that the College should continue to explore the opportunity outlined. The DfE had been contacted about the College's interest in forming a MAT, and had confirmed the initial steps to consider around conversion to a MAT, indicating that the minimum timescale is 4 to 5 months.

The Principal outlined the current position:

- Principal and Chair have met with their counterparts at the other SFC and agreed ways forward with regards to Trust Board and composition of Members
- Jonathan Godfrey will act as a MAT facilitator to help move forward required documentation and with liaison

- HSFC’s solicitors have issued us with a contract and guidance notes, and are acting for us in doing Due Diligence
- A link is in place with the Regional Schools Commissioner, and HSFC will make an application to convert from a SAT to MAT at the appropriate point

The Principal presented a Draft Mission and Statement of Values for the Learning Trust, which was discussed. HSFC will provide the Chair of the MAT, and the current HSFC Board will form the HSFC Local Governing Body. The Chair outlined what is typically involved in the governance of a MAT, and the duties of Members. The structure will give HSFC the opportunity to ‘assist’ the other SFC.

The Board were asked, subject to successful completion of all due diligence, to **APPROVE** the conversion to a Multi Academy Trust with the other SFC. After discussion, the Board **AGREED** unanimously. The Chair confirmed that any critical decisions will be brought before the Board, and Directors will be kept informed.

8. REVIEW OF COMPLAINTS (2017/18) AND THE COLLEGE’S RESPONSES

The Chair had read and reviewed all 9 complaints against the College during the year, together with the Principal’s responses. The Board discussed the complaints briefly, which it judged had all been handled promptly and fairly. The outcome of one complaint in June was ongoing, but a reasonable resolution was expected. There had been no complaints about the Board or its Committees.

9. MEETINGS AND CALENDAR OF BUSINESS 2018/19

The Clerk presented the Schedule of Directors’ Meetings and Calendar of Business for 2018/19, explaining that the academic year has a cycle of events on its calendar which form the basic business for the Board. The Clerk determines the calendar with the Principal. The Board sets expectations and monitors, and manages the business by delegating to Committees which discuss in depth, challenge where necessary, and advise the Board. In broad terms the delegation of the Board’s responsibilities includes:

Responsibility	Committee(s)
Mission, education character and oversight of activities	- Curriculum
Effective and efficient use of resources and solvency	- Audit, Finance and Resources
Approving annual budget	- Finance and Resources
Appointment, pay, suspension and dismissal of Senior Post Holders	- Staff and Students, Remuneration
Framework of pay and conditions for all staff	- Staff and Students, Search

The schedule was much as the previous year, and included the Annual General meeting of Members prior to the Board meeting in January.

The Board **NOTED** the Calendar.

10. COMMITTEE REPORTS

i. Audit Committee on 12 June

The Committee Chair presented the report, indicating that Committee reviews had included the Risk analysis and Risk Management Action Plan, two Internal Audit reports and the Internal Audit Plan for 2018/21.

The Committee had considered all aspects of Risk Management (RM), included in the Risk Analysis June 2018 and the RM Action Plan 2017/18. A new risk in relation to EU Genera Data Protection Regulations (GDPR) had been added, which was the only significant change. The RM Action Plan 2017/18 becomes the starting point for the 2018/19 Action Plan.

The RM Action Plan continues to be received and reviewed at all Audit Committee meetings irrespective of any new risks or information being added. The Committee had discussed the Risk Management Policy and Procedures, with only minor changes from the previous version.

After a discussion, particularly in relation to the RM Action Plan and aspects of security, the Board accepted the Committee's recommendations and **AGREED TO APPROVE** the

- Risk Management Policy and Procedures 2018-19
- Risk Analysis and Register, June 2018
- Risk Management Action Plan 2018/19

The Committee Chair went on to report that the Audit Committee had examined internal audit reports in relation to:

ICT and GDPR preparedness	- Cross-college team in place to manage compliance.
Key Financial Controls and Follow-up	- Reasonable assurance given

The Finance Director responded to Directors questions about:

College credit cards	- Cards for budget holders of larger departments, monitored on-line
Data breaches	- No known data breaches to date

The Audit Committee agenda now has two standing items: RM Action Plan and Data Breaches. The Committee had also discussed and agreed the Internal Audit Plan 2018/21, focusing particularly on the reviews to be carried out in 2018/19 covering 20 audit days.

The Committee had also reviewed the performance of the Internal Auditors, resulting in all assessment areas being 'very good', and recommended reappointment.

After discussion, the Board **AGREED TO APPROVE THE REAPPOINTMENT** of TIAA Ltd, to provide the College's Internal Audit for a further 2 years.

The Committee had also reviewed the EFSA Anti-Fraud checklist and was satisfied from information known to the Committee that the College is aware of, and has procedures in place to mitigate, the risk of fraud.

The Committee Minutes were then considered and **APPROVED AS A CORRECT RECORD**, subject to two minor changes.

ii. Finance & Resources Committee on 14 June

The Committee Chair reported that the Committee reviewed its Terms of Reference, reviewed the Draft Budget and financial forecasts, discussed the Monthly Management Accounts for April and reviewed the College's Health and Safety Policy. The Committee had also received the Health and Safety Annual Report.

(a) Terms of Reference

The Terms of Reference of the Committee had been updated to include the monitoring and reviewing of College IT equipment, hardware and networking facilities, within the management of all other College accommodation, equipment and estates.

The Board accepted the Committee's recommendation and **AGREED TO APPROVE** the amended Terms of Reference of the Committee.

(b) Management Accounts for April

The Committee had reviewed the April Management Accounts and had recommended the accounts for approval. The projected Net Surplus for the 8 months to 30 April is £171k, against the budgeted deficit of £63k, and the Balance Sheet remained strong with Net Current Assets of £2.95m. The forecast for the year is becoming clearer and projected Net Deficit to 31 August is £105k, against the budgeted deficit of £95k. It was noted that the projected deficit includes £120k adverse variance relating to the treatment of government grants and an additional lump sum contribution towards pension scheme deficit, partly offset by a saving on teaching pay.

The Board **AGREED TO APPROVE** the Management Accounts for April.

(c) Premises

It was reported that construction of a full size 3G football pitch by Aylestone School will not now proceed. Herefordshire FA have contacted the College to discuss possible improvements to HSFC's pitch. College Summer works will include a new IT suite, new Media Study Room, upgrading Library worktops and IT Rooms.

(d) Health and Safety Policy

There were no significant changes to the Health and Safety Policy from the previous year, and the Committee had agreed to recommend it to the Board with minor changes for dates and references. The Committee had also received and reviewed the Health & Safety Annual Report, which included a breakdown of accidents and schedule of accident during the year. Safety Audits are carried out twice a year by each department and any issues investigated. The College has 62 first aid trained staff and 3 defibrillators.

After a brief discussion the Board accepted the Committee's recommendation and **AGREED TO APPROVE** the Health and Safety Policy with agreed minor changes.

(e) Draft Budget for 2018/19

The Committee had considered the Draft Budget for the year to August 2019, the Financial Forecast for the 2019/20 and Commentary in considerable detail. At this stage the forecasts were based on HSFC continuing as a SAT. A small EBITDA surplus of £26k is forecast for 2018/19, with a £175k deficit forecast for 2019/20, only indicative at this stage.

Payroll costs percentage of total income is 77% for 2018/19, including a 1% pay award. The Committee had recommended the draft Budget for 2018/19 and forecast for 2019/20 to the Board. The Principal confirmed that any significant decline in student numbers will trigger remedial actions.

The draft budget and financial forecasts were all discussed by the Board, and then the Board **AGREED TO APPROVE** the Draft Budget 2018/19, and Draft Forecast 2019/20, accepting that it was only indicative at this stage.

The Committee's Minutes were then considered and **APPROVED AS A CORRECT RECORD**, subject to two minor changes.

11 ANY OTHER BUSINESS

The Chair, confirming Hannah's last meeting as Student Governor, thanked her for her generous contribution over her term of office, and wished her well at university.

13. DATE OF NEXT MEETING

Thursday 11 October 2018, at 6.00pm.