

Full Governing Body Committee meeting 22 March 2011, Committee Room, Ashington

	<p>Present: L Ions (Chair), S Barlow, T Shirley, B Bedson, C Smith, R Casson, M Rossi, P Down, L Rickerby, P Langton, C Todd, M Doogan</p> <p>In attendance: K Allan, K Ramsey, D Simpkin (note taker)</p>	
FGB/22mar1 1/01	<p>Confirmation of eligibility and quorum</p> <p>The meeting was quorate. There were no eligibility issues.</p>	
FGB/22mar1 1/02	<p>Apologies were received from:</p> <p>H Wright and D Moon</p>	
FGB/22mar1 1/03	<p>Minutes of the previous meeting held 22 February 2011:</p> <p>The minutes of the meeting were accepted as a true and accurate record of the meeting.</p> <p><u>Matters arising:</u></p> <p>The Chair advised members of an article on page 3 of The Journal regarding Kirkley Hall Zoological Gardens. CT added that there would also be coverage on TV and radio.</p>	
FGB/22mar1 1/04	<p>Appointment of Student Governor – Michael Doogan:</p> <p>The Chair advised that MD, who is a student at KH, had recently been elected as student governor and that she had met with him to discuss his role. MD provided a brief introduction of himself to governors.</p> <p>Governors approved the appointment of MD as student governor.</p>	
FGB/22mar1 1/05	<p>Presentation on strategy, financial performance and 2011/12 budget:</p> <p>CT began the presentation by advising governors that, whilst continuing to pursue the proposed merger with NCG, it was prudent to develop a “Plan B” option which would be implemented if the proposed merger with NCG did not go ahead. CT advised that he would present details relating to Strategy and Direction, while KR would present details regarding Financial Performance for 2010-11 and 2011-12 budget development.</p> <p><u>Strategy and Direction:</u></p> <p>CT commented that in the short term if the proposed merger with NCG was not approved, the college would need to continue as a separate entity but this would have to be supported by an ambitious and transformational change programme. In the medium term, the college would then need to explore the possibility of a merger or federation with another institution(s). Discussions in this regard would need to begin fairly quickly should the merger with NCG not be approved.</p> <p>CT then highlighted what would need to be done in the short term if the college were to ‘continue as a separate entity. CT identified that the College would need to develop, as normal, a Business Plan for 2011-12, along with a Development Plan covering the same period. Both plans were under development and would be presented to the Board in July 2011.</p>	

CT then highlighted the need for Governors and the SLT to review the Mission and Vision early in the new academic year and proposed an away day to progress this during September 2011. CT stressed that the continued relevance of the College's mission needed to be assessed and a more ambitious and succinct statement created. CT also highlighted the limitations of the current vision statement, highlighting that this was in need of significant improvement.

CT outlined the need for the College to refine its strategic objectives, reducing them down to a collection of 6 core aspects. He then went on to outline his initial thoughts in regards to the College's Development Plan for 2011-12 under the following key areas:

- Corporate Development
- Teaching and Learning Development
- Leadership and Management Development
- Culture Change

Finally CT advised that the next steps with regard to Plan B would be for the Governing Body to approve the following:

- Business Plan 2011-12
- Development Plan 2011-12

CT highlighted that these would be presented in July 2011 to the Corporation alongside the Performance Monitoring report for Period 9.

Financial Forecast 2010-11 and 2011-12 Budget Development:

KR provided background advising that in July 2010 the College submitted Governing Body approved three year financial plan (2010/11 to 2012/13) to the Skills Funding Agency (SFA) and that these forecasts and plans had been formulated prior to the publication of the 2010 Comprehensive Spending Review (CSR), the Skills Investment Strategy and Young Peoples Learning Agency (YPLA) Funding Statement.

KR added that indicative allocations for 2011/12 had been received from the SFA and YPLA in January 2011. However, in light of additional information available since the original submission, the SFA had requested that all colleges submit a revised forecast for 2010/11 and plan for 2011/12 by Friday 11 March 2011. KR advised that normally this would be approved by the Governing Body, however the SFA had stated that they are aware that this will be an estimate for 2011/12 as colleges will not have completed the planning exercise in detail and they were happy for colleges to submit these without governing body approval.

KR then went on to highlight the revised financial plan headlines for income and expenditure.

With regard to the revised financial plan assumptions KR advised that the starting point was the 2010/11 forecast from the January management accounts. KR then advised on the additional assumptions; the release of £130k Additional Learner Support (ALS) income held on the balance sheet; a redundancy provision of £400k and additional merger costs of £50k.

In relation to moving forward as mentioned KR reiterated that the 2011/12 plan

	<p>submitted to the SFA was an estimate at a point in time as Business Planning was not complete. However, it is essential that a detailed business plan, in relation to Capital and Revenue, is prepared for 2011/12 which is robust, highlights the clear accountabilities and allows performance monitoring in 2011/12.</p> <p>KR added that a Business Planning framework had been rolled out to the College Leadership Team in February 2011, and that work had been done to align the Northumberland College Business Planning with that of the Newcastle College Group.</p> <p>Governors noted the presentation and the revised financial plan.</p>	
<p>FGB/22mar1 1/06</p>	<p>Approval of contract for external audit:</p> <p>KR provided a report to seek approval in regards to the External Audit contract for 2010-11 as the three year contract with KPMG ended with the completion of the audit and the sign off of the 2009-10 financial statements in December 2010.</p> <p>KR advised that as at December it had been anticipated that the College would go out to tender for a 3 year external audit contract, however, since that time the Governing Body have approved a proposed merger with NCG and we have jointly submitted a merger proposal to the SFA. If the merger does go ahead \ the College will be subject to external audit under the NCG contract for 2011-12 onwards. However, as per the Financial Regulation, the appointment of External Auditors for the main Financial Statement of the College is the responsibility of the Governing Body with the Governing Body being advised by the Audit Committee.</p> <p>KR advised that the value of a one year contract would be below £30k, The financial regulations and procurement policy state that 3 quotations must be sought for expenditure at this level However, if there is to be any deviation from this it must be justified in writing by the Finance Director and approved by the SLT. With this in mind, KR proposed that due to the exceptional circumstances that there is a deviation from the policy for 2010-11, the exceptional circumstances being:</p> <ul style="list-style-type: none"> a) Due to the potential merger, it would not be prudent for the College to enter into a threeyear contract b) The NCG Director of Finance had indicated that the preference of the NCG governing body was, in the event of merger, for the 2010-11 audit to be carried out by NCG's existing auditors, Ernst & Young <p>If the merger were not to proceed then KR reiterated the proposal to extend the contract with KPMG by one year to cover 2010-11 and then the external audit contract go out to tender for the three year period commencing 2011-12.</p> <p>Governors noted the report and agreed the recommendation to the proposal in relation to the 2010-11 external audit. Governors asked that KR check and clarify governors liabilities in relation to the signing off of audits once the governing body ceases to exist should the merger be successful.</p>	<p>K Ramsey</p>
<p>FGB/22mar1 1/07</p>	<p>Merger update – verbal:</p> <p>CT reminded governors that the process and timeframe for the proposed merger was being managed through the Transition Team. He added that ministerial approval was still outstanding, but the team were hopeful that consultation would begin on Monday 28 March 2011. CT outlined that the Transition Team still</p>	

	<p>expected both organisations to merge on the 1st August 2011.</p> <p>The Chair asked if any governors would be needed to attend any meetings in relation to the merger, however CT advised that they would not be required but were entitled to put their views forward about the merger through the consultation. CT advised he would keep governors informed.</p> <p>CT commented that an Integration Team had been established and the purpose of this team was to integrate and align the two Colleges together. He added that key managers from Estates, IT, MIS, HR and Finance had been working together. CT also highlighted that NCG proposed to invest £100k of cash immediately to support improvements in ICT infrastructure relating to cabling and data links, followed by a further £900k following government approval of the merger.</p> <p>CT advised that a visit to Skelmersdale and Ormskirk College had been arranged to include 15 staff. Visits were also planned with staff at Newcastle College and significant activity was expected over the coming weeks. As the governors had previously expressed a desire to visit Skelmersdale and Ormskirk College, the Chair asked CT to enquire about this during his visit.</p> <p>The Chair advised governors that both the financial and legal due diligence reports had been reviewed at the last F&P meeting and that there were no unexpected issues. It was also noted that NCG had received their due diligence reports on Northumberland College. Following discussions governors advised they would like updates on key issues and consultation.</p> <p>Discussions then took place regarding correspondence received from Professor Peter Fiddler of Sunderland University. CT advised governors the University were seeking to pull out of the current partnership and funding due to the proposed merger. Concerns were highlighted as to the impact on students and CT advised that the college would now pursue a number of avenues to maintain higher education provision.</p>	<p>C Todd</p> <p>C Todd</p>
<p>FGB/22mar1 1/08</p>	<p>Estates report:</p> <p>CT advised that the purpose of this report was to provide Governors with information regarding some significant issues that had recently been identified in regards to the College's estate.</p> <p>CT commented that the College estate had recently been inspected by a team of specialist staff from NCG who consisted of Mechanical and Electrical engineers and Health and Safety staff. It was noted that the focus of the review was to identify the main infrastructure issues faced at both campuses. CT then highlighted the issues that had been identified together with actions needed to address the issues raised.</p> <p>The recommendation to Governors was that given the serious nature of the issues raised the College needed to act quickly in order to implement all of the actions identified. CT added that detailed specifications would be developed within the next few days and contractors would then be appointed in line with the College's financial regulations.</p> <p>It was agreed:</p> <ul style="list-style-type: none"> • That the principal would urgently review and prioritise the list of actions • Where consistent with the safety of the public, students, and staff, 	

	<p>improvement tasks would be handled through Finance & Personnel Committee approvals as per normal procedure</p> <ul style="list-style-type: none"> • Where it was necessary to take urgent action, the Principal and Chair were granted delegated authority to approve the necessary expenditure, with subsequent reporting to governors <p>It was noted that the last Health and Safety report presented at governors was in 2008. Governors requested annual reports which included assurances that statutory requirements had been implemented and best practice followed.</p>	<p>C Todd</p>
<p>FGB/22mar1 1/09</p>	<p>Recommendation from Search Committee – amended standing orders and committee terms of reference:</p> <p>K Allan presented a report which arose from the decision of the Corporation in December 2010 to review the terms of reference of all committees.</p> <p>The following changes were agreed:</p> <p>a) Amendments to the Standing Orders designed to apply common standards to all committees:</p> <ul style="list-style-type: none"> • Meetings to be held in private, but allowing others to attend by invitation • Meeting papers to be sent electronically to members seven days in advance of each meeting, with paper copies sent four days in advance upon request • Provision for members of any committee to call a special meeting • Provision for majority voting, not by proxy, for all committees • Minutes of each committee to be reviewed at the following meeting and signed by the Chair of that committee • Declaration of Interest to include a reference to the Nolan principles of public life • Attendance at the Performance and Remuneration Committee to be limited to specified members • Committees to assess their performance annually • Terms of reference of each committee to be reviewed at least every two years. • Each committee to have authority to incur expenditure up to £5,000 to obtain legal, financial, or other professional advice for the effective discharge of their duties. <p>b) The Remuneration Committee to be renamed the Performance and Remuneration Committee, with amended terms of reference intended to strengthen the relationship between the recommendations on remuneration of senior post-holders and observations by governors of the effectiveness of senior post-holders, as evidenced through the work of each committee. To reflect this role, the membership is proposed to consist of the Chairs of the Corporation, and the Chairs of the Finance & Personnel,</p>	

	<p>Standards, and Audit Committees. Other Corporation members would not have the right of attendance. The proposed ToR also add a reference to collective responsibility as well as to individual responsibility.</p> <p>c) The amendments to the terms of reference of the Standards Committee, previously agreed by the Standards Committee in October 2010, were endorsed, subject to the transfer of items common to all committees to Standing Orders.</p> <p>d) The amendments to the terms of reference of the Audit Committee, previously agreed by the Audit Committee in December 2010, were endorsed, subject to the transfer of items common to all committees to Standing Orders.</p> <p>e) A change to the terms of reference of the Search Committee, to clarify that the Search Committee does not make recommendations for student, staff, or parent governors, for whom separate procedures exist.</p> <p>f) It was agreed to disband the Farm Committee, which was a sub committee of the Finance & Personnel Committee, on the grounds that it had fulfilled it's original brief of putting the farm on a commercial footing.</p> <p>The detailed wording of the changes were set out in an enclosure to KA's report. T Shirley pointed out some wording errors, which KA will correct in the process of issuing to committee members updated terms of reference and standing orders.</p> <p>TS noted that the Standards Committee no longer had responsibility for the College Strategic Plan and asked how this responsibility would be discharged in future. It was agreed that this would be a function of the Full Governing Body.</p>	K Allan
FGB/22mar1 1/10	<p>Minutes of Committees held since 29th January 2011:</p> <p>The minutes of the Finance and Personnel Committee held on 8 February 2011 were received and noted with an amendment to attendees.</p> <p>The minutes of the Standards Committee held on 15 February 2011 were received and noted.</p> <p>The minutes of the Search Committee held on 22 February 2011 were received and noted.</p>	
FGB/22mar1 1/11	<p>Any other business:</p> <p>Confidential items:</p> <ul style="list-style-type: none"> - Recommendation from Remuneration Committee 	
	<p>The date of the next meeting: 31st May 2011, Committee Room, Ashington – This meeting may need to take place on the 19 May 2011. Governors requested to hold both dates in diaries.</p>	