

## Full Governing Body Committee meeting 13 July 2011, Committee Room, Ashington

	<p>Present: L Ions (Chair), S Barlow, T Shirley, R Casson, M Rossi, P Down, B Bedson, C Todd, P Langton</p> <p>In attendance: J Fisher, S Walling, K Ramsey, K Allan, D Simpkin (note taker)</p>	
FGB/13July11/01	<p><b>Confirmation of eligibility and quorum</b></p> <p>The meeting was quorate. There were no eligibility issues.</p>	
FGB/13July11/02	<p>Apologies were received from:</p> <p>H Wright, D Moon, C Smith and L Rickerby.</p>	
FGB/13July11/02	<p><b>Full Merger Proposal (part i)</b></p> <p>Linda Ions (LI) summarised recent events relating to the proposed merger with Newcastle College Group (NCG):</p> <ol style="list-style-type: none"> <li>a) Completion of the public consultation exercise managed by the Skills Funding Agency (SFA)</li> <li>b) Provision of a first draft summary of the consultation process by the SFA. Comments were made on the draft by the Principal, the Corporations' merger sub-group, and by NCG</li> <li>c) Provision of a second draft summary of the consultation process by the SFA, subsequently published on the SFA website on 8<sup>th</sup> July 2011.</li> <li>d) Provision by NCG of a first draft of the Final Merger Proposal (FMP), which was issued to Governors on Wednesday 8<sup>th</sup> July together with notice of this meeting.</li> <li>e) Email correspondence and telephone conversations between LI and NCG concerning the content of the first draft FMP., and informal comments from the SFA on the first draft.</li> <li>f) Provision by NCG of a second draft FMP today, which was issued to governors by email and now made available in printed form, with marked revisions.</li> </ol>	
	<p>Chris Todd (CT) presented a paper which reminded governors of the points which the SFA, in their summary of the consultation process, required to be addressed in the Full Merger Proposal. These points were grouped under the headings of:</p> <ol style="list-style-type: none"> <li>g) Local accountability</li> <li>h) Future of Northumberland College sites</li> <li>i) Curriculum offer</li> <li>j) Choice and competition</li> <li>k) Land-based provision</li> </ol>	

	<ul style="list-style-type: none"> <li>l) Rationale for the selected option</li> <li>m) Impact on students</li> <li>n) Value for money</li> </ul> <p>The paper assessed the extent to which the first draft FMP addressed the issues raised by the FMP, and the conclusions of the paper informed the discussion with NCG representatives which followed.</p>	
FGB/13July11/04	<p><b>Full Merger Proposal (part ii)</b></p> <p>Dame Jackie Fisher (JF) and Sandie Walling (SW) joined the meeting at this point.</p> <p>JF talked governors through the amendments that had been made in the second draft FMP.</p> <p>Key points arising from the discussion were:</p> <ul style="list-style-type: none"> <li>a) The FMP made a commitment to hold a public visioning exercise in order to gain further public input into options for the provision of college services, within available resources.</li> <li>b) NCG would discuss with a key lender to the College, the possibility of repaying a loan.</li> <li>c) JF believed that spending on remediation of health and safety issues to a value of £900k was required in advance of the merger.</li> </ul> <p>Governors discussed point (c ) above and noted:</p> <ul style="list-style-type: none"> <li>d) There was no evidence that learners were operating in an unsafe environment or that managers were not aware of their legal responsibilities</li> <li>e) A number of reports had been commissioned by expert advisors on estates issues; of the reports received so far only that relating to fixed wiring had recommended immediate action and the required fixed wiring work was already under way and budgeted for.</li> <li>f) Potential options for reprovion of some buildings would obviate the need for related expenditure on those buildings,</li> <li>g) The Principal had identified the required expenditure in 2010/11 of £450k.to complete urgent and essential works</li> </ul> <p>Other specific points made were:</p> <ul style="list-style-type: none"> <li>h) The comments on lessons learnt for the SFAs attention should not be included in the document but could form the basis of a separate letter</li> <li>i)The first paragraph of the FMP Executive Summary refers to “other failing colleges”; however this was felt to be misleading as Northumberland College was not classed by the SFA as a “failing” college.</li> <li>j)The accuracy of the reference on page 13 to the provision of HE was queried</li> </ul>	

	<p>k)The references to financial due diligence of Northumberland College did not reflect a revised financial plan agreed following the comprehensive spending review.</p> <p>Governors discussed the operation of the proposed Northumberland Strategic Advisory Committee and queried whether there would be sufficient Northumberland influence within NCG. JF indicated that it was not possible to change the governance arrangements within the timescale agreed for approval of the FMP. It was noted that there is now a Newcastle College Advisory group and suggested that this be referred to in the document.</p> <p>The three-year financial forecast for NCG was discussed as governors had noted that predicted results were not as favourable as past performance. JF responded that the award of Work Programme contracts was a significant factor, which required significant up-front investment in 2011/12 before income flowed in later years.</p> <p>LI asked whether the FMP would be a public document. SW agreed to check whether this was the case.</p> <p>JF and SW left the meeting at this point.</p>	Sandie Walling
FGB/13July11/05	<p><b>Final Merger Proposal (iii)</b></p> <p>K Allan (KA) reminded governors that approval of the Final Merger Proposal required the Corporation to approve a resolution to dissolve the Corporation, subject to Secretary of State approval, and to transfer assets and liabilities to Newcastle College Group.</p> <p>Governors discussed whether to approve the Final Merger Proposal and it was agreed that the following changes would be required in order to allow approval:</p> <ul style="list-style-type: none"> <li>a) Removal of references to unsafe learning or working environments</li> <li>b) Removal of references to managers not being aware of legal obligations</li> <li>c) Removal of requirement for the College to spend £900k on health and safety issues before merger as a condition of merger – Northumberland College would guarantee to hand over a legally compliant college</li> <li>d) Removal of the reference to “failing colleges” in the first paragraph of the Executive Summary</li> <li>e) Removal of reference to the identity of a lender to the College.</li> <li>f) Revision of the section on financial due diligence to note that following revision of the plan, the College now has in place an accurate financial plan.</li> </ul> <p>The Corporation agreed to grant authority to Linda Ions to convey the detail of the requested changes to NCG, and to sign a revised version which incorporates these changes, for submission to the SFA.</p>	

FGB/13July11/06	<p><b>Dissolution of the Corporation of Northumberland College</b></p> <p><b>Subject to the Chair agreeing the changes to the Final Merger Proposal outlined in minute FGB/13July11/05 above with NCG,</b></p> <p>the Corporation of Northumberland College resolved</p> <ul style="list-style-type: none"><li>a) to approve the merger of Northumberland College with Newcastle College Group, through a Type B merger, subject to the approval of the Secretary of State</li><li>b) subject to the approval of the merger by the Secretary of State, that all property, rights, and liabilities of Northumberland College will transfer upon merger to Newcastle College Group.</li></ul>	
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