



GOVERNORS' MEETING

Minutes of the meeting

on 30 June 2016

Present: Ms Michelle Balcombe, Mr Martin Churchward, Mrs Carol Clapham, Mr Rob Doran, Mrs Diane Evans, Dr Jonathan Godfrey, Dr Marion Hawkins, Mr Clive Hodgeman, Mr Chris Hodson, Dr Ken Hopkins (Chair), Mrs Heidi Macdougall, Mr James Miller, Dr Amber Tahir, Mr Ravi Tandon, Mr Phil Tranter, Mrs Shirley Tully, (16)

In attendance: Mr Peter Cooper (Deputy Principal), Mr Robert Gorman (Clerk), Mrs Sallyanne Griffiths (Finance Director)

The Chair remarked that the Principal wished to make a statement. The Principal announced that the coming academic year, his twentieth at the College, would be his last as it was his intention to resign at 31 July 2017. The Chair thanked the Principal for giving Governors such early notice.

Governors were reminded that Carol Clapham, Rob Doran, Chris Hodson and Ravi Tandon are retiring this Summer, and this would be their last Board meeting. All would be thanked at a dinner after the meeting, but thanks are recorded formally here for all their hard work and support over the years, especially Carol Clapham who has been an HSFC Governor for more than 20 years and has made a major contribution to the College's development over the years.

1. ELECTION OF CHAIR AND VICE-CHAIR FOR ACADEMIC YEAR 2016-17

The Clerk confirmed no other expressions of interest had been received, and Dr Ken Hopkins was nominated and re-elected as Chair of Governors, and Mrs Heidi Macdougall as Vice-Chair of Governors.

2. APOLOGIES FOR ABSENCE

Mr Charles Davies, Mr Shubham Kulkarni (Student Governor), Mr Rob Newton (Student Governor) (3)

3. DECLARATIONS OF INTERESTS AND GIFTS

None.

4. MINUTES OF THE MEETING HELD ON 19 MAY 2016

The Minutes were approved as an accurate record and signed.

5. MATTERS ARISING FROM THE MINUTES

None.

6. CLERK'S REPORT

The Clerk reported that at the end of the current academic year, Board strength will effectively be 13 members. Elections will need to be held in the Autumn Term to nominate one additional Staff Governor to replace Diane Evans, and one Student Governor to replace Rob Newton, as both leave the College this term. Instrument and Articles provide that membership of the Corporation shall not be less than 12 nor more than 20 members. 4 co-opted Committee members were in the pipeline.

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

7. PRINCIPAL'S REPORT

The Principal presented his report including a full listing of new teaching staff and 'leavers' for 2016. The Principal, and Governors, wished to particularly thank Diane Evans for her work as Chaplain over her time at the College.

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 sufficient to make the process worthwhile, adding that for Chaplain the field was particularly strong.

Student successes referred to in the report included:

- 3 students gaining places at National Youth Theatre
- All 3 FSB Herefordshire scholarship awards this year to HSFC students
- Newnham College Cambridge Essay Prize won by HSFC student

The Principal reminded Governors that more detail concerning all College news and events is available on the College website.

The Principal extended his personal thanks to the Governors retiring this year, especially to Carol Clapham who has been a Governor at the College for more than 20 years. Members also expressed their thanks and best wishes.

A short Ofsted visit on 15 June, a thematic survey of student programmes, as part of a survey of outstanding colleges, had been very thorough, with extremely positive feedback. Both the Deputy Principal (who oversaw the visit) and Director of Studies at the meeting considered the visit to be a very good experience. The overall summary will be provided to Governors in due course. In response to a member's question, the Deputy Principal stated that 18 staff, managing and teaching in all areas across the College, were interviewed.

National issues highlighted included the statement from the DfE that no new sixth forms should be established unless they have at least 200 students and also that existing local provision should be taken into account.

8. SINGLE ACADEMY TRUST APPLICATION

A copy of the College's application form as a SFC to become an academy, and dated 14 June, had been circulated to members. Part A included information required as part of the initial application and Part B, information on governance, property and finances, which will be required as the application progresses. The DfE may require more information going forward. In response to a member's question about SAT status for SFCs, the Principal felt confident that there would be agreement for SAT status, and that only minor changes in the College's regulatory framework would be required. Trustees would be the Governors of the College.

The College had been awarded £40k from the Transition Fund to support legal and other costs in the process of academisation.

The main financial impact of academisation on the College will be around VAT, with:

- potentially significant VAT savings going forward
- potential savings of 4 years of pre-conversion VAT on equipment

The report was **NOTED** by the Board.

9. REVIEW OF COMPLAINTS (2015/16) AND THE COLLEGE'S RESPONSES

The Chair had read and reviewed all 4 complaints against the College during the year, together with the four Principal's responses. One complaint, involving the monitoring of a student's progress, was ongoing, but all others have been resolved without further complaint.

The Board discussed the complaints briefly, which it judged had all been handled promptly and fairly. There had been no complaints about the Board or its Committees.

10. CONFIRMATION OF CYCLE OF MEETINGS

An Academic Year Calendar for 2016/17 and Schedule of Governors' Meetings and Calendar of Business for 2016/17 were circulated, and **NOTED** by the Board.

11. COMMITTEE REPORTS

i. Audit Committee on 14 June

The Committee Chair presented the report, indicating that positive Internal Audit reports had been received in relation to:

- College Learner Number Systems and Key Financial Controls both with 'Substantial Assurance' and no action points recommended
- Health and Safety arrangements indicating 'Limited Assurance', but all action points had been implemented or are planned to be.

The Committee had reviewed the College's Governance Procedures and changes to the Code of Conduct for Governors section around relationship with press and media, and criticism or revelation of the views of other members. The Committee had agreed to recommend the Governance Procedures to the Board, subject to the changes agreed.

The Board discussed the Procedures, accepted the Committee's recommendations and **AGREED TO APPROVE** the Governance Procedures.

The Committee had also considered all aspects of Risk Management (RM) and made recommendations to the Board. One new risk had been added to the RM Action Plan in relation to site security. The steps by which site security is currently maintained had been outlined to the Committee, as were possible future proposals, including extended use of ID badges and magnetic door security. Committee members were in support of ID badges for Governors, and had agreed to recommend the use of ID badges for Governors to the Board.

Board members expressed strong views about the need to retain the culture of the College and open access, while striking a balance with security requirements. In response to Members questions about free movement of students, the Principal confirmed that students sometimes come to College from outside, just as HSFC students had access to the two other Colleges on the 'Folly Lane' campus, and wearing of ID badges at all times on College premises would be beneficial.

In response to a member's question about the MIS system, the Deputy Principal indicated that the College's bespoke system delivered enhanced functionality, with an operational support risk.

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 Analysis and Register, June 2016
- Risk Management Report 2015/16
- Risk Management Action Plan, 2016/17
- Use of ID badges for Governors

The Committee had discussed and agreed the Internal Audit Plan 2016/17, and in its review of the performance of the internal auditors over 2015/16 concluded that performance had been very good in each category and overall.

The Committee had also expressed concern about attendance at Governors' meetings. While attendance levels were good, the Committee felt strongly that lack of attendance is detrimental to the proper conduct of business. The Clerk had contacted Governors on this topic.

The Committee's Minutes were then considered and **APPROVED AS A CORRECT RECORD**.

ii. Finance & Premises Committee on 16 June

The Committee had reviewed the May Management Accounts. The projected Net Surplus for the year remained at £200k, the Balance Sheet remained strong and Financial Health, Good. The Committee had recommended the accounts for approval.

The Committee had considered the Draft Budget for 2016/17, the Financial Forecast for the 2017/18 and Commentary in considerable detail. At this stage the forecasts were based on HSFC continuing as a Corporation. A net surplus of £311k is forecast on Income and Expenditure Account for 2016/17, with a £140k surplus forecast for 2017/18. The improvement from last year's forecast is mainly due to improved student intake and tight control of staff costs. The Finance Director had circulated a checklist from the EFA's Financial Planning Handbook which the Committee had found very useful. The Committee recommended the Budget for 2016/17 and Forecast for 2017/18 to the Board.

In response to a members' questions, the Finance Director outlined:

- the workings of the Apprenticeship Levy and how it affected the College - HSFC was to receive a grant of £30k for staff training within the College, subject to guidelines
- the financial effects of Academisation – separate outline forecast produced based on assumed date of conversion of 1 January 2017 and including VAT refund effect
- the change in VAT status – services of specialist VAT consultant
- the risk to funding from UK economy changes – sensitivity analysis in Commentary to forecasts indicating level of HSFC response. All SFCs face real financial difficulties.

The May management accounts, draft budget, financial forecast and commentary to the forecasts were all discussed by the Board, and then the Board **AGREED TO APPROVE** the

- Monthly Management Accounts for May 2016
- First Draft Budget 2016/17, and Forecast 2017/18

There were no changes to the Health and Safety Policy from the previous year, and the Committee had agreed to recommend it to the Board with no changes. The Committee had also received and reviewed the Health & Safety Annual Report, which included a breakdown of accidents and schedule of accident trends over the last five years, showing more incidents in the last year. The increase appeared to be due to the reporting of more minor instances over the last 12 months.

After a brief discussion the Board accepted the Committee's recommendations and **AGREED TO APPROVE** the Health and Safety Policy with no changes.

The Committee's Minutes were then considered and **APPROVED AS A CORRECT RECORD**.

iii. Search Committee on 16 June

The Committee Chair reported that the Committee was to transact one item of business in relation to co-opted members and it seemed pragmatic and logical to conduct this via email.

The Committee had previously discussed details of 3 possible co-optees to Governors' Committees, appraised the candidates' background details and their interest in the College. All have now attended Committee meetings, and confirmed their willingness to be a co-opted member:

- Dr Helen Underhill – Medical Consultant - Staff & Students
- Mr Andrew Parsons – retired Operations Director, Investment Banking - Audit
- Mr Vernon Amor – Company Director, Wye Valley Brewery - Finance & Premises

The Committee had agreed to recommend that all three be appointed as Co-opted Committee members.

After a brief discussion the Board accepted the Committee's recommendations and **AGREED TO APPROVE** that all three above be appointed as Co-opted Committee members.

The Committee's Minutes were also considered and **APPROVED AS A CORRECT RECORD**.

12. ANY OTHER BUSINESS

None.

13. DATE OF NEXT MEETING

Thursday 13 October 2016, at 6.00pm.