



**GOVERNING BODY COMMITTEE
PART I
MINUTES OF THE MEETING HELD ON
WEDNESDAY 7 DECEMBER 2016**

Governors: Sir William Stubbs (Chair)
Heather Barrett-Mold
John Bennett
Paul Campbell
Lady Milnes Coates
Beryl De Souza
David Domoney
Doug Fussell
Donald Gratton
Robert Howard CC
Joy Hillyer
Tony Leach
Roger McClure
Lady Salisbury
Doug Taylor
James Wisdom
Stephen Dowbiggin, OBE (Principal)

Staff Governor: Andrew Smith

Student Governors: Mechelle Hemley-Francis
Polly Robson-Halil

In attendance: Malcolm Goodwin, Deputy Principal
Joanne Coffey, Clerk to the Governing Body
Damien Fallon, Director of Finance
Simon O’Hear, Director of Human Resources
Richard Prowse, Assistant Principal Facilities, Health and Safety

1. APOLOGIES FOR ABSENCE

There were apologies from John Bennett, Paul Campbell, Robert Howard, Doug Taylor and Damien Fallon.

2. DECLARATIONS OF INTEREST

Roger McClure declared an interest in Item 6, the minutes of the Search and Governance Committee.

3. MINUTES OF THE CORPORATION COMMITTEE MEETING HELD ON 20 JULY 2016

RECEIVED: Paper 3 - Minutes of the Corporation Committee meeting held on 20 July 2016, for decision.

RESOLVED to:

- i. **approve the minutes of the Corporation Committee meeting held on 20 July 2016 as a correct record and authorise the Chair to sign them.**

4. MATTERS ARISING FROM THE MINUTES OF THE CORPORATION COMMITTEE MEETING HELD ON 20 JULY 2016

RECEIVED: Paper 4 – Matters arising from the minutes of the Corporation Committee meeting of 20 July 2016, for information.

NOTED:

- i. The submission of the financial plan to the SFA.

5. REPORT OF THE CLERK TO GOVERNORS

RECEIVED: Paper 5 – Report of the Clerk, for decision.

NOTED:

- i. A revised Paper 5 was distributed to the Committee which contained minor corrections.

5.1. Standing Orders / Code of Conduct

NOTED:

- i. Standing Orders and the Statement of Governance would be dealt with in the Search and Governance Committee and were appended to their minutes (see item 6).

5.2. Committee Terms of Reference

NOTED:

- i. As the Strategy Committee had thoroughly revised its Terms of Reference at their meeting earlier in the day the Draft circulated was withdrawn , the recommendation for adoption by the Governing Body was withdrawn and an updated version would be presented to the next Governing Body meeting
- ii. The Remuneration Terms of Reference had not been revised due to their Committee only meeting once per year but the Chair gave assurance that he felt they were fit for purpose.

RESOLVED to:

- i. adopt the Remuneration Committee Terms of Reference.**

5.3. Annual Review of the decision making processes

NOTED:

- i. The Clerk had conducted an annual review (as required by the Governing Body) of the decision making processes and had judged these to be fit for purpose.

RESOLVED:

- i. that the decision making processes of the Corporation are fit for purpose.**

5.4. Timetable of Governors' meetings 2017/18

NOTED:

- i. As a proposal to bring the Spring 2017 meetings forward did not suit all Governors, a new set of meeting dates will be proposed outside of the Corporation Committee meeting.

RESOLVED to:

- i. approve and adopt the current timetable of meetings for 2017/18 apart from the Spring 2017 meetings which are being rescheduled.**

6. MINUTES OF SEARCH AND GOVERNANCE COMMITTEE MEETING OF 16 NOVEMBER 2016

RECEIVED: Paper 6 – Minutes of the Search and Governance Committee meeting held on 16 November 2016, for decision.

Lady Salisbury, Madam Chairman of the Committee, led the discussion of the minutes.

6.1. Terms of Reference

NOTED:

- i. The revised Search and Governance Terms of Reference were considered and accepted by the Governing Body.

RESOLVED to:

- i. adopt the Search and Governance Committee Terms of Reference.**

6.2. Nomination for a Chair to the Governing Body

NOTED:

Roger McClure left the room due to his declaration of interest

- i. Roger McClure had been nominated as Chair designate elect to the Governing Body
- ii. No other nominations had been received
- iii. Although consideration had been given to externally advertising the post, as Roger was such a strong candidate and was highly recommended the Committee had decided to recommend his appointment as Chair Elect to the full Governing Body
- iv. Lady Salisbury formally proposed Roger McClure as Chair designate elect, to take over from Sir William Stubbs in Spring 2017, and Joy Hillyer seconded the proposal. This was unanimously supported by Governors.

Roger McClure returned to the room

- v. Roger McClure accepted the invitation to become Chair elect of the Governing Body and was congratulated on his appointment.

RESOLVED to:

- i. **appoint Roger McClure as Chair Elect until Spring 2017 when he progresses to the role of the Chair of the Governing Body (on the retirement at the committee of the current Chair).**

6.3. Appointment of the Principal

NOTED:

- i. to comply with the Standing Orders, the Clerk requested that the panel to select a new Principal was increased to 5 Governors
- ii. Madam Chairman of Search and Governance requested Heather Barrett-Mold to join the panel who kindly accepted
- iii. The Clerk, assisted by the Director of HR is preparing a job description and personal specification for the role of Principal and this will be initially discussed at a meeting with the panel on 21st December 2017, prior to circulation to all Governors for comment.

RESOLVED to:

- i. **appoint the following Governors as the panel to interview, select and make a proposal to the Governing Body for the appointment of a new Principal:**
 - **Lady Salisbury**
 - **Roger McClure (Chair designate elect)**
 - **Douglas Fussell**
 - **James Wisdom**
 - **Heather Barrett-Mold**

6.4. End of the Term of Office of Lady Milnes Coates

NOTED:

- i. As Lady Milne-Coates has been a vital asset to the Governing Body in her role as the Safeguarding Lead for Governors, the Leather Guild's Centre and her strong involvement in meetings and other activities search and Governance recommended her for appointment for a further 4 year Term of Office
- ii. Lady Milne Coates had indicated her willingness to serve another term.
- iii. The proposal of the Committee was unanimously accepted.

RESOLVED to:

- i. appoint Lady Milnes Coates to the Governing Body for a further term of four years (until Spring Governing Body meeting 2021).**

6.5. Chair's Action

NOTED:

- i. The action taken over the sale of 17 acres to Tottenham Hotspur Football Club and the purchase of alternative land was endorsed by the Governing Body
- ii. That, although this matter had been dealt with by the Chair of F and GP, all Governors had been consulted and therefore the Clerk felt that it should be raised at a full Governing body meeting.

RESOLVED to:

- i. endorse the action taken by the Clerk in this matter**
- ii. endorse the action taken by the Chair of the F&GP Committee.**

6.6. Review of the Standing Orders

NOTED:

- i. The Standing Orders and Instrument and Articles had been reformatted and only contained minor edits to Senior Management titles. For formality, these were submitted for adoption to the Governing Body
- ii. The Statement of Governance has been amended to clarify that the Remuneration and Strategy Committees should meet for a *minimum* of once per annum.

RESOLVED to:

- i. adopt the Standing Orders of Search and Governance**
- ii. adopt the Instrument and Articles**
- iii. adopt and reaffirm acceptance of the Statement of Governance.**

7. MINUTES OF THE AUDIT COMMITTEE MEETING OF 22 NOVEMBER 2016

RECEIVED: Paper 7 – Minutes of the Audit Committee meeting held on 22 November 2016, for decision.

In Robert Howard, Chair of the Committee's absence, Beryl de Souza led the discussion of the minutes.

7.1. Review of Audit Committee Terms of Reference

NOTED:

- i. The Terms of Reference had previously been amended to three members, plus the right to co-opt other Governors as the Committee sees fit.

RESOLVED to:

- i. adopt the Audit Committee Terms of Reference.**

7.2. Review of areas susceptible to fraud

NOTED:

- i. The Fraud Review Schedule had been reviewed
- ii. It remained consistent with the previous year
- iii. No areas of fraud or concerns had been raised in 2015-16.

RESOLVED to:

- i. adopt the Fraud Review Schedule for 2015/16.**

7.3. Review of Quality Cycle

NOTED:

- i. The Quality Cycle was detailed in the Quality Policy and Audit committee had been tasked with annually reviewing whether the cycle had been followed and reporting back on this to the Full Governing Body
- ii. The report demonstrated that the quality Cycle had been followed.

RESOLVED to:

- i. acknowledge the Quality Cycle for 2015-16 had been completed in a timely manner**
- ii. adopt the 2015-16 SAR and 2016-17 QIP and make them publicly available (see papers 16 and 17).**

7.4. Internal Audit Annual Report 2015/16

NOTED:

- i. The Risk and Assurance Service Report contained audit work carried out by Scrutton Bland
- ii. Scrutton Bland had made an assessment where all areas were given green assurances.

RESOLVED to:

- i. adopt the Risk and Assurance Service - Annual Report for 2015/16.**

7.5. Regularity Audit self-assessment questionnaire 2015/16

NOTED:

- i. The self-assessment questionnaire was completed by management ahead of Buzzacott's regulatory work and has been approved by the Principal and Chair of Governors.

RESOLVED to:

- i. adopt the Regularity Audit Self-Assessment Questionnaire for 2015/16 and approve its submission to the Skills Funding Agency.**

7.6. Letter of Representation for 2015-16 – College

NOTED:

- i. Authorisation to sign this needs to be given by both Audit and F and GP (different components focused on regulation and controls).

RESOLVED to:

- i. empower the Chairman of Governors and the Principal to sign the Letter of Representation in respect of sections 4 and 17 for the year ended 31 July 2016 on behalf of the Corporation.**

7.7. Post Audit Management Reports from the Financial Statements Auditor for the year 2015/16

NOTED:

- i. The Post Audit Management Reports were produced by Buzzacott for:
 - a. Capel Manor College's financial statements
 - b. Capel Manor College's regularity audit
 - c. Capel Manor Limited
 - d. Forty Hall Community Vineyard limited.

RESOLVED to:

- i. **adopt the Post Audit Management Reports for the College, Capel Manor Limited and FHCVL for the year ended 31 July 2016 issued by Buzzacott LLP.**

7.8. Report and Financial Statements for the year ended 31 July 2016

NOTED:

- i. The Audit Committee had considered Pages 1-24 (which relates to their responsibilities)
- ii. F&GP Committee had considered the later pages (which relates to their responsibilities).

RESOLVED to adopt:

- i. **the Statement of Corporate Governance and Internal Control**
- ii. **the Governing Body's statement on the College's regularity, propriety and compliance with funding body terms and conditions of funding**
- iii. **the Statement of Responsibilities of the Members of the Corporation included in the College Report and Financial Statements for the year ended 31 July 2016**
- iv. **the audit reports on the regularity audit and the financial statements audit for the College, Capel Manor Limited and the Vineyard for the year ended 31 July 2016.**

7.9. The Annual Risk Management Report for the year 2015/16

NOTED:

- i. As part of the risk management policy, audit are required to give an assessment as to whether management adhered to the Risk Management Policy during 2015/16.

RESOLVED to:

- i. **add the following paragraphs to the Annual Report of the Audit Committee to the Corporation and the Accounting Officer for the year ended 31 July 2016:**

The Governing Body received a detailed report on the College's Risk Management Policy on the 20 July 2016 and as a result of their review of the policy, made amendments to the Risk Schedule and Risk Management Action Plan for 2016/17;

The Audit Committee received a report on the College's compliance to its Policy and its effectiveness in assisting the College to manage its risks on 22 November 2016 and concluded that the College had complied with the Policy in 2015-16 and that the Policy had been effective in assisting the College to manage its risks during 2015/16.

7.10. Evaluation of the performance of the Internal Auditor 2015/16

NOTED:

- i. The audit committee had conducted a review and Scrutton Bland were unanimously recommended to the Governing Body for reappointment (see item 7.11 below).

RESOLVED to:

- i. **accept and note the evaluation of the performance of the internal audit service for the year ended 31 July 2016 as good (the highest grade).**

7.11. Annual Report of the Audit Committee for the year ended 31 July 2016

NOTED:

- i. Based on the work reviewed and carried out by the Audit Committee during the 2015/16 year the Committee concluded that, in its opinion, the College has an adequate and effective system of internal control, risk management and governance that can be relied upon (including controls for efficiency, effectiveness and economy).

RESOLVED to:

- i. **add the overall assessment of the performance of the Internal Audit Service and the Financial Statements Auditor to the Annual Report of the Audit Committee for the year ended 31 July 2016**
- ii. **the paragraphs on Risk Management in the Annual Report of the Audit Committee for the year ended 31 July 2016 be confirmed**
- iii. **adopt the Annual Report of the Audit Committee to the Corporation and Accounting Officer for the year ended 31 July 2016.**

7.12. Annual Reappointment of the Internal Audit Service for 2016/17

NOTED:

- i. The reappointment of Scrutton Bland as the internal audit service provider for 2016/17 as their service has consistently been assessed as Good.

RESOLVED to:

- i. **reappoint Scrutton Bland as the internal audit service provider for 2016/17**
- ii. **agree the internal audit fee for the 2016/17 year identified in Scrutton Bland's Assurance Strategy and Annual Plan 2016/17 (as approved by the Audit Committee on 11 July 2016) at £21,657 per annum inclusive of VAT. This fee is based on 34.0 days of service at £530.80 per day.**

8. MINUTES OF THE FINANCE AND GENERAL PURPOSES COMMITTEE HELD ON 16 NOVEMBER 2016

RECEIVED: Paper 8 – Minutes of the F&GP Committee meeting held on 16 November 2016, for decision.

Douglas Fussell, Chair of the Committee, led the discussion of the minutes.

For clarity, recommendations to the Governing Body from the F&GP minutes refer to papers that were included for information with the Governing Body as Items 9 to 13.

8.1. Review of Finance and General Purposes Committee Terms of Reference

NOTED:

- i. The F&GP Committee felt it would be appropriate to increase the level of delegation for it to act by £5k from £75k to £80k and if this was agreed that it needed to be recorded into regularity documentation.

RESOLVED to:

- i. **increase the level of delegation to F&GP to act independently from £75k to £80k**
- ii. **adopt the amended Finance and General Purposes Terms of Reference.**

8.2 Report of the Director of Finance

NOTED:

- i. The sale of 17 acres to Tottenham Hotspur Football Club has necessitated for a dedicated unit to be set up for green waste management in Gilmour Close.

RESOLVED to:

- i. **approve an additional £353k of capital expenditure in 2016/17 (as part of the arrangements arising from the sale of 17 acres).**

8.3. Management accounts for the year ended 31 July 2016 (Analysis of Outturn for 2015/16)

RECEIVED: Paper 9 – Report of the Director of Finance, for decision.

NOTED:

- i. The college's financial performance is assessed as Outstanding despite a projection in the accounts and plans for this period suggesting performance would be Good. The lowering of the assessment was due to the capital investment in the animal management building.

RESOLVED to:

- i. approve the management accounts and commentary for the year ended 31 July 2016.**

8.4. Letters of Representation for the year ended 31 July 2016

RECEIVED: Paper 10 – Report of the Director of Finance for decision.

NOTED:

- i. Buzzacott produced the Letters of Representation which have not changed year on year and accurately reflect the standard assumptions of reporting which underlie the external audit process
- ii. There are no exceptional items in the Letters of Representation.

RESOLVED to:

- i. authorise the Chair of the Governing Body and the Principal to sign the Letter of Representation for the financial statements audit of the College for the year ended 31 July 2016 on behalf of the Corporation as part of approving the financial statements for 2015/16**
- ii. authorise the Principal, in his capacity as a director of Capel Manor Limited, to sign the Letter of Representation for the financial statements audit of the Capel Manor Limited for the period ended 31 July 2016 on behalf of the Corporation as part of approving the financial statements for 2015/16**
- iii. authorise the Principal, in his capacity as a director of Forty Hall Community Vineyard Limited, to sign the Letter of Representation for the financial statements audit of the Forty Hall Community Vineyard Limited for the year ended 31 July 2016 on behalf of the Corporation as part of approving the financial statements for 2015/16.**

8.5. Draft Group Report and Financial Statements for the year ended 31 July 2016

RECEIVED: Paper 11 – Report of the Director of Finance, for decision.

8.5a. Capel Manor College

NOTED:

- i. Capel Manor College is in a strong financial position compared to many other colleges.

RESOLVED to:

- i. adopt the accounting policies in the draft Group Report and Financial Statements for the year ended 31 July 2016**
- ii. approve the draft Group Report and Financial Statements for the year ended 31 July 2016.**

8.5b. Forty Hall Community Vineyard Limited

NOTED:

- i. Income year on year has not changed but £20k of income was due to wine sales in comparison to the previous year where all income was in grants, hence, the Vineyard is now beginning to support itself as a going concern.

RESOLVED to:

- i. adopt the accounting policies in the draft Report and Accounts of Forty Hall Community Vineyard Limited for the year ended 31 July 2016**
- ii. approve the draft Report and Accounts of Forty Hall Community Vineyard Limited for the year ended 31 July 2016.**

8.5c. Capel Manor Limited

NOTED:

- i. Capel Manor Limited has been included in the Group Report and Financial Statements for the first time for a number of years.

RESOLVED to:

- i. adopt the accounting policies in the draft Report and Accounts of Capel Manor Limited for the period ended 31 July 2016**
- ii. approve the draft Report and Accounts of Capel Manor Limited for the period ended 31 July 2016.**

8.6. Key accounting ratios and performance criteria for 2015/16 and 2016/17

NOTED:

- i. For the 2015/16 financial year the College has operated within the key accounting ratios approved by the Governing Body for that year
- ii. Corrections were made to d. and e. from greater than (>) to less than (<) (Page 11 of the F&GP Committee minutes of 16 November 2016).

RESOLVED to:

- i. approve the following key accounting ratios for the 2016/17 financial year:**
 - a. Adjusted Current Ratio = / > 1.6:1**
 - b. Cash days in hand = / > 30 (30 days agreed on 9 July 2014 and confirmed on 20 July 2016)**
 - c. EBITDA = / > 3% (as determined by the area review process)**
 - d. Borrowing costs = / < 4%**
 - e. Staff costs = / < 65%**

8.7. Management Accounts 2016/17

NOTED:

- i. The College is in a very strong financial position.

8.8. Revised Budget 2016/17

RECEIVED: Paper 13 – Report of the Director of Finance, for decision.

NOTED:

- i. The officers reviewed the original budget in light of last year's out turn and the first 3 months.

RESOLVED to:

- i. approve the revised budget for 2016/17.**

9. REPORT OF THE PRINCIPAL (Item 14 on agenda)

RECEIVED: Paper 14 – Report of the Principal, for information.

9.1 Ofsted Inspection November 2016

NOTED:

- i. Although written confirmation was awaited, the two day Ofsted inspection was expected to result in an assessment of the provision at the College remaining at Good (no extended inspection was required)
- ii. The inspection was a very intensive experience which, at short notice, caused considerable pressure on staff at a time when everyone was already tired. Staff were outstanding in their support and in the hard work done to justify the college's own self assessment
- iii. Inspectors did not find fault with any issues that were not already in the college's SAR and QIP
- iv. A need for some students to be more academically challenged was highlighted and this will be further highlighted in the QIP to set higher and more demanding levels of achievement in these specific cases
- v. On behalf of the Governors, Lady Salisbury thanked and commended the Principal, Deputy Principal, Clerk and all staff for their hard work for which the Governing Body was grateful
- vi. The Principal, on behalf of all staff, thanked the Governors for their support and encouragement and, particularly, for those who attended a meeting with the inspector at very short notice.

9.2 Overview of 2015-16 Accounts

NOTED:

- i. It was explained that as accounting practices now require a more detailed disclosure of pension and other liabilities and as a result there has been some confusion in the sector when evaluating performance. However, comparing like for like, without allowances for pension liabilities and the pylon compensation, the College made an overall surplus of £146k
- ii. The Chair of F and GP had, following the revaluation of the LGPS Pension Scheme, asked officers to investigate the matter further and seek professional advice if necessary to facilitate an independent briefing for Governors on the impact of this matter on the College and its finances
- iii. This led to further exploration, including advice from the Association of Colleges and a detailed webinar and Pro bono advice from a Pensions Barrister known to the College. This ascertained that:
 - the situation is likely to get better over time
 - the College would gain little from challenging the actuaries at this time
 - the College should, however, ask for a detailed report on its liabilities.The Chair of F&GP was thanked for his management of this situation.

10. MINUTES OF THE ACADEMIC COMMITTEE MEETING HELD ON 16 NOVEMBER 2016 (Item 15 on agenda)

RECEIVED: Paper 15 – Minutes of the Academic Committee meeting held on 16 November 2016, for decision.

James Wisdom, Chair of the Committee, led the discussion of the minutes.

10.1. Review of Terms of Reference

NOTED:

- i. The Terms of Reference had been amended to reflect the new title of Academic Committee.

RESOLVED to:

- i. adopt the Terms of Reference with the amendment to the title of the committee.**

10.2 Landex letters

NOTED:

- i. The Chair of Governors will be responding on behalf of the Governing Body
- ii. Maintaining a critical friend relationship with Landex is important.

10.3. Quality Improvement Plan (QIP) 2015-16 – FINAL UPDATE

NOTED:

- i. The QIP and risk assessment was received by the Governing Body.

RESOLVED to:

- i. receive the final update of the QIP 2015-16**
- ii. receive the risk assessment of the two outstanding actions and these actions are not carried forward.**

10.4. Self-Assessment Report (SAR) 2015-16

NOTED:

- i. The SAR and QIP processes are working well and have been complimented by the internal auditors and the FE Commissioners
- ii. The College's overall self-assessment grade is Good with improvements expected from future strengthening from the QIP and SAR processes.

RESOLVED to:

- i. accept the Self-Assessment Report 2015-16**
- ii. accept the overall grade of Good for the College**
- iii. accept individual grades for each School**
- iv. accept the College continues to further validate the SAR through Landex Peer Review.**

10.5. Quality Improvement Plan (QIP) 2016-17

NOTED:

- i. The College will look to improve the targets and descriptions in the QIP with a view to moving from Good to Outstanding over the next 2-3 years
- ii. The SAR and QIP are the underpinning apparatus for Heads of Schools to follow as overseen by the Academic Committee
- iii. The outcome has been successful when compared to the QIP from 5 years ago but there is still room for improvement
- iv. Reliance is on the quality and speed of management data to inform on areas of concern which the College is very good at signalling quickly
- v. This QIP has underpinned the success of the Ofsted inspection.

RESOLVED to:

- i. accept and adopt the Quality Improvement Plan.**

11. COLLEGE SELF ASSESSMENT REPORT 2015/16 (Item 16 on agenda)

RECEIVED: Paper 16 – Report of the Deputy Principal, for information.

NOTED:

- i. The attached Paper was for information only as it had been considered in detail by the Academic Committee and the recommendation was resolved in the minutes
- ii. The SAR has robust processes in place and the outcome of the Ofsted inspection reaffirmed in detail that processes are working well,

12. QUALITY IMPROVEMENT PLAN 2016-17 (Item 17 on agenda)

RECEIVED: Paper 17 – Report of the Deputy Principal, for information.

NOTED:

- i. The attached Paper was for information only as it had been considered in detail by the Academic Committee and the recommendation was resolved in the minutes
- ii. The QIP is strong but more improvements will be made to link short and long-term goals and tighten up strategies
- iii. A Post Inspection Action Plan (PIAP) in response to the Ofsted 'letter' will be integrated into an amended QIP (only minor changes to the existing QIP are expected).

13. MINUTES OF THE HEALTH AND SAFETY MEETING HELD ON 7 NOVEMBER 2016 (Item 18 on agenda)

RECEIVED: Paper 18 – Minutes of the Health and Safety Meeting held on 7 November 2016, for decision.

Donald Gratton, Chair of the Committee, led the discussion of the minutes.

NOTED:

- i. The Health and Safety Committee Terms of Reference had been reviewed
- ii. The new Assistant Principal, Facilities, Health and Safety had reported new and outstanding issues and was bringing forward alternative arrangements for reviewing the annual plan
- iii. As it was found helpful to have an additional Health and Safety Committee meeting in addition to the current 2 meetings per year, we have added a third meeting to take place in the Spring of each year
- iv. The number of meetings per year will be amended in the Terms of Reference to reflect this.

RESOLVED to:

- i. **adopt the Health and Safety Committee Terms of Reference with the additional meeting added.**

14. DATE OF NEXT MEETING: Tuesday 28 March, 2017