

Governing Body Minutes

Meeting	Business Committee	Date	4 th March 2015
Location	Board Room First Floor Inspire Building	Time	5.05pm
Membership	Patrick Hollis (Chair), Liz Langton-Way, Tom Price, Graham Razey, Gail Clarke, Lewis Waitt (Staff Governor)		
In Attendance	Anne Leese (Officer) Chris Legg (Officer) Paul Sayers (Officer) Tara Ashman (Clerk) Alison Gray (items 5-7) Mike Snell (Invited Observer)		

	ITEM	COMMENTS	ACTION POINT REQUIRED
1	Apologies for Absence	The Chair welcomed the Committee to the meeting and welcomed Mike Snell as an invited observer. There were no apologies for the meeting.	
2	Declaration of Interests	None other than those previously declared.	
3	Minutes of the previous meeting held 26 November 2014	The minutes of the last meeting held on 26 November 2014 were approved and signed as an accurate record of the meeting.	
4	Matters arising	None not covered within the agenda.	
5	Health and Safety Annual Report and	The Chair welcome AG and invited her to present her papers as detailed within the agenda.	

	<p>Action Plan Update</p>	<p>AG advised the purpose of the report is to highlight any issues that have been raised within the last academic year and how they have been addressed demonstrating that the College is fulfilling its statutory duties. AG invited questions and comment.</p> <p>Governors discussed the feedback from the staff survey and AG advised the indications were mainly due to a concern with cleaning which is being taken forward with the current contractors, Churchill's at Broadstairs. Folkestone and Dover campus use Lewis & Graves. A Governor suggested this should be a discussion point for the future to look at one contractor across all sites for consistency of service.</p> <p>AG noted that appointments of Campus Safety & Security Officers at both Dover and Folkestone have been made and the Chair asked if the College was satisfied with the performance to date. There have been some challenges in Dover in particular but this has been addressed in the main by closing down the perimeter and there is further work to be done in the change to a proactive role from a reactive role.</p> <p>Governor's discussed the benefits and challenges in working alongside PCSOs in the different districts and the other actions for 2014/15 as detailed within the report.</p> <p>Governors asked for an update on the future of Viking Bay foods as a commercial venture and CL will provide this at the next meeting.</p> <p style="text-align: center;">NOTED - The Committee noted the Annual Health and Safety report and Action Plan Update</p>	<p>AG</p> <p>CL</p>
<p>6</p>	<p>Disaster Recovery Plan</p>	<p>AG informed the Governors that with each campus having its own unique requirements, a Disaster Recovery Plan has been produced for each site. The confidential appendices for each site is available within the Governor resources library, the individuals responsible keep a paper based copy on their person and at home due to the nature of some of the potential disasters, Discovery Park has its own incident response procedure.</p> <p>A Governor asked about the testing of the plans, AG commented on the use of the plans and gave examples of gas leaks, adverse weather and water leaks but there are no plans to test all aspects. GR detailed the inherited system of simulated testing when he joined the College in 2010 which did not have any realism or benefit to the College. The media strategy has been tested with the senior managers having undertaken media training. Governors agreed the reasonableness of some of the testing however there was still concern that although things will probably not happen there is still a chance they might hence having them detailed</p>	

		<p>within the plan. GR asked the Committee if they wished Audit to consider the controls and processes within the plan to offer further assurance and this was agreed.</p> <p>AGREED - To recommend Audit Committee to consider the controls and processes of the Disaster Recovery Plan</p> <p>A Governor asked who updates the contact details and AG confirmed it was within her remit to do so and why it formed an additional appendix to the document for ease of update.</p>	
7	EFQM Feedback	<p>It had been identified that the self-assessment for support areas is not as consistently robust as it is within the curriculum areas and the EFQM model was a pilot the College undertook recently within HR and Marketing. Feedback from the areas was in favour of the scheme and the model is recommended for implementation with the costs as presented.</p> <p>GR noted that when the challenging cuts were made to service areas it was not perhaps communicated effectively among the wider staff the impact this would have on the level of service provided, what EFQM can offer is a comprehensive and standardised position in measuring the performance.</p> <p>[GC joined the meeting at 5.35pm]</p> <p>The item is presented to assure Governors that actions are being taken to address the dip in performance and provides a critical look at the service.</p> <p>The Chair thanked AG for her report and was pleased to hear of the actions being taken.</p> <p>[AG left the meeting at 5.40pm]</p>	
8	Management Accounts	<p>The Chair took this opportunity to thank the Committee for the additional working groups and committees which have helped to better inform the main Business Committee meeting and invited CL to present the Management Accounts.</p>	

<p>Governors had received the Management Accounts for January 2015 and CL guided them through the summary with the headline figure for 2014/15 now looking at a deficit of £330,000 as opposed to the budgeted surplus of £150,000.</p> <p>Governors and Officers discussed the difficulty in estimating running costs at the Dover & Folkestone campuses, not being able to deliver the adult funding contract without increasing subcontracting and the challenging position of funding allocations having a knock on effect on capital programmes.</p> <p>GR reviewed the funding allocations putting the College in a far worse position than predicted and an option might be to temper down ambition within capital projects to create a sustainable future. GR will update the Full Governing Body on the current position at the next meeting with a detailed report to the next Business Committee.</p> <p>A Governor asked about the protection for Dover and Folkestone and GR clarified the protection is against numbers and not against an overall cut in funding. The College has applied to the SFA for money due to additional unforeseen costs post transfer but GR is not optimistic. GR has outlined the position to the Chair of Governors and there will be some difficult decisions ahead.</p> <p>A Governor asked if attracting more students would improve the position and GR explained the lagged funding model which would show an improvement in the future but not for this year or next, however recognised the need to carry on the trajectory of growth within Folkestone and Dover.</p> <p>A Governor suggested future improvement with the complementary offer within the Yarrow Hotel for apprenticeships and work experience as this is certainly an area for growth.</p> <p>Another Governor asked whether the College was at fault in not understanding the market better, CL and GR were both clear that the estimates for adult recruitment at Folkestone and Dover were mirrored in terms of application percentages against trends at Broadstairs, the difficulty has always been the lack of historical information.</p> <p>A Governor questioned whether the College was legally allowed to submit a deficit and as long as the College can demonstrate a going concern this is allowed. PS advised 40-50% Colleges are currently running a deficit, it is normal but not sustainable. The executive team will look at a 5 year forecast to show the long term impact.</p>

		<p>LW asked when the message would be communicated to staff and GR advised the briefing to staff next week will include the budget cuts and he will be in discussion with the unions to manage the impact.</p> <p>The Chair thanked CL for his report and advised the Committee that the accounts had been scrutinised with the working group of himself, CL and GC. CL confirmed that the executive overview of the budget over three campuses will be completed for the next set of accounts.</p> <p>NOTED - the Committee noted the Management Accounts for January 2015</p>	
	Commercial Development Update	<p>This item was taken at this point in the agenda.</p> <p>CL advised the Governors that one third of Hornby Hobbies staff will be relocating to Discovery Park and ultimately the Visitor Centre will move to another site within Thanet at which point the College will need to consider its options. Whilst the existing contract is in place there is no immediate action needed to be taken.</p> <p>GR recognised the significant growth in the salon income since November when there was an increase in student engagement which is a benefit for all concerned.</p> <p>CL noted that The Chapel café and refectory are serviced by the same staff and financial reporting will be amalgamated in the future.</p> <p>NOTED - The Governors noted the update on Commercial developments</p>	
9	Property Strategy Update	<p>AL advised the Property Strategy Group meet on a monthly basis and receive full project reports, all of which are available within the resources library, and presented the summary report for comment.</p> <p>AL commented on the lack of contracted staff on site when the Property Group undertook a tour of the Yarrow Hotel and the group will be considering Project Management arrangements at the next meeting. The biggest challenge is for all the money to be spent by March to be able to draw down the whole grant. Some projects have incurred an additional overspend which has resulted in a number of projects not continuing but this is under review.</p>	

		<p>AL was pleased to report that the College has been successful in the expression of interest for a £3.5 million SELEP funding for a new build at Dover and asked the Business Committee to recommend its support to the Full Governing Body. GR highlighted the cost implications for the College in regards to the loan repayments and £973,506 contribution. CL did not feel able to assure Governors of affordability at this stage and Governors agreed to meet the week before the Full Governing Body to discuss the application further if needed.</p> <p>AGREED - The Committee agreed to recommend the application for SELEP funding to the Full Governing Body following detailed discussion on affordability</p> <p>The Chair summarised the last meeting of the Property Group and advised the Committee that there was not sufficient information within the reports to be able to proceed on some of the additional works and hopes to hear a more comprehensive overview at the next meeting. GR noted the challenge for the Director of Capital Programmes is not the complexity of the projects but the quantity.</p>	
10	Yarrow Hotel Business Plan	This item will be taken later in the agenda.	
11	Commercial Development Update	This item was taken earlier in the agenda.	
12	Human Resources Update	<p>AL presented the HR update for information and invited comment. Items of note were:</p> <ul style="list-style-type: none"> • There will be a further review of the College structure following the decision not to replace Jayne Walker and Andrew Gower at senior level. • The Committee noted the performance management developments across Folkestone and Dover with a number of curriculum managers either leaving or stepping down • There is a new HR and payroll system from this month which will be fully implemented by the end of April. • The next phase of campus devolution will be to look at Student Learning Support and Assessment which may result in some staffing reductions. 	

		<ul style="list-style-type: none"> The College will be launching its EKC Apprenticeship Academy in apprenticeship week offering 10 apprenticeships cross College within the first year. <p>A Governor asked what morale was like and AL reported overall it was positive although there remained pockets of negativity particularly at Dover. This was a particular focus at Performance Review Committee. A Governor was pleased to see the College offering the apprenticeship academy and ‘walking the walk’ with other employers.</p> <p>Given the current financial position the executive team are not proposing a pay award for 2014/15 but would like to make a commitment for a pay award in 2015/16 and be able to deliver that message to staff this year.</p> <p>A Governor asked how that compared with the sector and GR advised that aside from a cost of living increase the other opportunity has been if the College delivers an operating surplus there would be an all staff payment however this is not achievable at present. The College moved to fixed point salaries and a three point scale for lecturing staff so there is no other avenue for financial remuneration. The Governors were supportive of the suggestion and agreed to the recommendation going to the Full Governing Body.</p> <p>AGREED - The Committee agreed to not recommend a pay award for 2014/15 but agreed to recommending a commitment to a pay award for 2015/16</p>	
13	Subcontracting Update	<p>PS presented the subcontracting update under the following headlines:</p> <p>Performance to date - 16-18 apprenticeships recruitment in September was lower than planned but most of which can be made up by reallocating delivery with approximately £60 thousand under delivery. A new partner was considered but due diligence did not provide the confidence needed to work with them.</p> <p>Additional subcontracting - At the time the paper was written the College was looking at approximately £850 thousand of additional subcontracting needed which has now come down to £770 thousand, the College would be working with existing partners. The model is in line with current expectations and would provide a good position for next year’s funding.</p> <p>Review of Quality Improvement Targets - This is on track for implementing all quality assurance actions.</p> <p>PS asked the Committee to recommend to the Full Governing Body an increase to the subcontracting budget, including the implications for the 2015/16 budget due to apprenticeship ‘carry over’ commitments. Following discussion the Committee agreed to the recommendation.</p>	

		AGREED - The Committee agreed to recommend to the Full Governing Body an increase to the subcontracting budget	
14	Risk Management Report	<p>PS presented the risk register and identified the increase in two risks specifically: Risk 1 - further funding cuts where risk are being mitigated. Risk 11 - failure to manage College finances as given the cuts this seems prudent.</p> <p>PS assured Business Committee that Audit Committee had previously had an in depth discussion on the risk register and were content with the ratings.</p> <p>A Governor thought there was a potential disconnect between the Commercial activity on the risk register and the financial position. PS noted that most of the risk was owed to the Yarrow Hotel and not the existing commercial developments.</p> <p>Further questions were invited.</p> <p>NOTED - the Committee noted the current Risk Register (February 2015 version).</p>	
15	College Performance Indicators	<p>The Principal presented the summary documents and reminded the Committee that their responsibility was for indicators 14-24. Key points of note were:</p> <ul style="list-style-type: none"> • Staff absence rate is at record lows although GR is mindful that this is likely to increase at Dover & Folkestone. • Health and safety reported incidents have increased particularly within carpentry at Folkestone, this has been addressed. • IT networks continue to be a challenge although the January figures have improved significantly. The Audit Committee had commissioned a high level IT report and are satisfied that plans are in place for a full migration. <p>A Governor asked about performance against commercial income, GR advised all CPIs need to be sufficiently measured on a monthly basis and if the Committee would like this to be reported as such to consider this and advise him accordingly.</p> <p>Further questions were invited. The Chair thanked the Principal for his report.</p>	

		NOTED - the Committee noted the CPI's (February 2015 version).	
16	Any Other Business	<p>CL had advised the Committee at the last meeting of the insurance renewal date and it was agreed to continue with Marsh Services for a further 12 months. The quote has come back over GR's signing limit and CL needs approval from the Committee to proceed. The Committee were happy to approve the expenditure of insurance renewal with Marsh Services based on CL's recommendation.</p> <p>APPROVED - The Committee approved the expenditure of insurance renewal with Marsh Services based on CL's recommendation.</p> <p>The Chair presented the role description for Lead Governor Health & Safety, given the reporting line it was felt that this role should be offered to the Business Committee members. Tom Price was nominated for the role and was pleased to accept, the Committee will recommend to the Full Governing Body accordingly.</p> <p>AGREED - The Committee recommend Tom Price as Lead Governor for Health & Safety to the Full Governing Body</p>	
	Yarrow Hotel Business Plan	<p>This item was taken at this point in the agenda.</p> <p>CL presented the Yarrow Hotel Business Plan and advised that it was likely to be further developed over the coming months. The College is awaiting the appointment of the General Manager who will likely have their own input. Discussion had been had among the College staff about the Living Wage and GR was clear that it is fundamental to the culture and ethos of the College and without rent, rates and usual costs associated with running a hotel it should be able to turn a profit.</p> <p>Governors discussed some of the detail within the plan including the pricing structure for room rates and breakfast and the uncertainty on an opening date. Governors would like to see the budget move more towards a break even position in the first year rather than a planned loss. CL has approached this with caution and had external review and wanted to offer a realistic picture and not set the hotel up to fail.</p> <p>The Chair wanted assurance as to how the curriculum will work alongside the hotel. GR noted that CL had not included any student income within the budget, the build is for a training hotel but it has to run commercially. The curriculum offer is currently being considered.</p>	

		<p>A Governor asked about the deprecation of assets and CL advised there would be very little net depreciation as it is 91% financed by capital grants. Another Governor suggested breakfast from 7am and thought bar service finishing at 9.30pm at the weekend seemed a bit early and CL noted these comments for review.</p> <p>Governors congratulated CL on getting the plan to this stage and look forward to receiving an updated version at the next meeting.</p> <p style="text-align: center;">NOTED - The Committee noted the Yarrow Hotel Business Plan</p>	
17	Matters considered confidential	There were no matters considered confidential.	
18	Date of Next Meeting	Wednesday 3 rd June 2015 in the Board Room of Inspire Building at 5.00pm.	

There being no further business the meeting closed at 8.01pm

Signed:

Print:

Date: