



**Minutes of the Special Corporation Meeting
held on Tuesday 25 February 2020**

Present: - Mr Igor Andronov (Chair)
Cllr Sebastian Bowen
Mrs Sally Cassels (by phone)
Mr James Caird (by phone)
Mr Tony Ford
Mr Jeremy Nicholls (by phone)
Mr Ian Peake (Principal)

In attendance: - Mrs Jo Ricketts (Deputy Principal)
Mr Edward Gwillim (Director of Finance)
Mrs Linda Watkins (Clerk to the Corporation)

The meeting was quorate as seven Governors were present in person or by phone.

1. I. Apologies were received from Miss Abby Durant, Mrs Laura Johnston, Mrs Debbie Lambert, Mr Adam Matthews, Ms Rebecca Payne and Mrs Debra Baldwin (Director of Personnel).

III. There were no declarations of interest.

2. Letter from Office for Students dated 21 October 2019

The reminded Governors that he had verbally notified the Board about the letter received from OfS at the Board meeting on 22 October 2019. Governors had subsequently been given a copy of the letter from OfS and were requested to discuss the reason for the missed deadline for payment of the annual fee to the Designated Quality Body (DQB) and set out actions the College has taken to ensure such regulatory deadlines are not missed in future.

Governors asked the sum of the missed payment, which was £4,900 to the QAA body, and reason that this payment was missed. The Deputy Principal responded that the payment for the approval process had not been set up correctly meaning that the invoice had not been sent to the Deputy Principal for authorisation. In addition, the College was setting up a new finance system and processes at the time. The Chair of the Audit Committee requested reassurance that late payment would not happen again asking if OfS have been notified that the Deputy Principal is the approval officer. The Deputy Principal would notify the OfS that she is the approval officer which would ensure annual fees are paid promptly in future.

The Board agreed: -

Action

J Ricketts

- The College must meet regulatory requirements with the OfS in future and noted the reasons for the failure to achieve the deadline for the annual payment to the DQB in August
- To ensure future payments are made within the required timescale, OfS would be notified that the Deputy Principal is the approval officer

3. **Sub Contracting Provision**

The Director of Finance referred to the sub contracting policy which the Board had approved in July 2019. This year the College had not recruited the budgeted number of adult learners with a proposal to increase the capacity for the Skills Network to deliver up to £950K of sub contracted provision. Shropshire Football Association would continue to deliver £50K provision. In total sub contracted income in 2019/20 would be £1M with costs of £729K.

The Board agreed: -

- To approve sub contracting provision up to £1M
- The revised sub contracting policy would be published on the website.

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4. **LEP Expression of Interest**

[A confidential minute was recorded]

5. **Integrated Financial Model for Colleges (IFMC)**

The Director of Finance explained the purpose of the IFMC. ESFA had requested two separate models showing Herefordshire and Ludlow College and North Shropshire College, along with a combined model of Herefordshire Ludlow and North Shropshire College. The model requires figures for last year to 31 July 2019, forecast for this year to 31 July 2020 and budgets for the following two years to year ended July 2022. Key assumptions for the financial years ending 2020 to 2022 were presented along with comparisons of budget to forecast for the current financial year. These forecasted that the College will continue to make an operating surplus. The operating surplus for this year is better than budget. It is anticipated that Pound Farm will be sold in two parts, the first by the end of this year generating sale income of c£350K.

Staff costs are being driven down with vacancies carefully reviewed before recruiting staff.

Assumptions are based on this year's outturn for projections to 2022. Additional factors include 5% increase for 16-18 learners, weighting at £100K and £100K growth in apprenticeship income. 3% inflation has been allocated for pay. Overall annual income of c£26M is anticipated. The EBITDA is anticipated at £1.4M in 2019/20.

The Director of Finance outlined assumptions for the following years including learner numbers, capital projects and depreciation on buildings.

The Board agreed: -

- The Director of Finance would transfer data to populate ESFA spreadsheets
- To approve the IFMC for submission to the ESFA
- To thank the Director of Finance for the significant amount of work to prepare the IFMC

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6. Any other business and comments

There were no items.

7. Date and Time of Next Meeting

Tuesday 28 April 2020: Governors' Workshop commencing at 2.30 pm followed by Board meeting at 4.00 pm at Oswestry College (venue to be confirmed)

Signed as a true record of proceedings

Chair: **Date:**