



**Minutes of the Special Board Meeting  
of the Corporation  
held on Wednesday 20 June 2018**

**Present: -** Mr Igor Andronov (Chair)  
Cllr Sebastian Bowen  
Miss Amy Burgoyne (by phone)  
Ms Sally Cassels (by phone)  
Mr James Caird  
Mr Tony Ford  
Mr Richard Garnett  
Mrs Debbie Lambert (by phone)  
Dr Alan Lavers  
Mr Norman Moon  
Mrs Elizabeth Patrick  
Mr Ian Peake (Principal)  
Mr Garry Thomas

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

The meeting was quorate as thirteen Governors were present or participated by phone.

- |  | <b>Action</b> |
|--|---------------|
| <p><b>1. Apologies for Absence</b><br/>Ms Sophia Haywood.</p>  |               |
| <p><b>2. Bid to Transaction Unit (TU)</b><br/>The Director of Finance presented a summary of the financial report. The models had been prepared in conjunction with NSC's Finance Director.</p> <p>The date of merger had been deferred from 1 August 2018 to 1 October 2018. The College had used TU's 'cash flow available for debt servicing' model (CFADS) to prepare the bid. A summary of allocation of the TU grant application of £17.256M was provided.</p> <p>Models had been prepared showing income and expenditure, and the balance sheet. Two versions were provided: HLC and NSC's position separately and combined. The first model did not reflect the impact of the merger, the second reflected merger. The Director of Finance gave detailed explanations of forecasts for HLC, NSC and the combined model to 2021/22.</p> |               |

The summary of merged CFADS forecasted that the merged College would continue to make a deficit after ITDA of £972,000 by 2021/22. This did not take account of curriculum remodelling but included support staff restructuring and closure of three satellite sites. It was anticipated that there would be potential to make some additional savings.

The balance sheet for the merged College forecasted a sharp deterioration impacted by NSC's financial situation. A technical issue regarding the calculation of depreciation was anticipated to reduce some costs.

Governors concluded that the model, funding and forecasts showed that a merged College would not be sustainable without further savings and adequate support from the TU. The College is liaising with ESFA who are supportive to make the merger a success.

A Governor asked if all due diligence had been completed noting that financial and legal due diligence have been completed with estates due diligence being undertaken.

A Governor cautioned against the strategy to sell assets for short term gain in favour of securing funding from the TU which was fully supported by everyone. Further reductions to costs, cash generation and securing the appropriate level of funding from the TU are crucial.

The Board agreed: -

- It is important that the merged College is sustainable regardless of the response from the TU and that the Board of HLC and NSC should make its final decision based on future sustainability
- To note the headline finances for submission to the TU with adjustments to the model to be presented to the Board at the next meeting in July
- To express concern at the merged College's forecasted deficit of £972,000 in 2021/22

**3. Provisional date for additional Special Board Meeting to resolve to accept the assets, liabilities and staff from NSC**  
There was a provision date of Monday 24 September 2018 commencing at 4.00 pm which was subject to progression of the merger.

**4. Any other Business**  
A confidential minutes was recorded

**Signed as a true record of proceedings**

**Chair: ..... Date: .....**