

Minutes of the Meeting of the Board of Corporation

Date:	Monday 16 December 2022	Room number	Via Teams
Present:	Mark Bass (Chair) Andy Forbes (Chair Designate) Charles Tennant (Vice-Chair) Yvonne Kelly (Principal/CEO) Forhad Altafi (FA) (Staff Governor) Evelyn Carpenter (EC) Carole Ditty (CD) Stuart Fraser (SF) Geoff Hall (GH) (Staff Governor) Nick Kavanagh (NK) Alex Keay (AK) Bal Panesar (BP)		
In attendance:	Mark Eagle (ME) (MacIntyre Hudson) Andrew Lawson (Chief People Transformation Officer) Victoria Eastwood (Chief Governance Officer) Debbie Greenidge (Interim Executive Director – Finance)		
Apologies	Talha Ahmad, Bim Osunsami, Chief Operating Officer		

1.	<p>Welcome and apologies for absence</p> <p>The Chair welcomed all present to the meeting. Apologies for absence were received from Talha Ahmad, Bim Osunsami and the Chief Operating Officer.</p>										
2.	<p>Declarations of Interest</p> <p>Governors were reminded of their responsibility to declare an interest in relation to specific items on the Agenda if appropriate. None were anticipated.</p>										
3.	<p>Minutes of the Previous Meetings of the Corporation – Monday 12 December 2022</p> <p>The Minutes of the Previous Meeting, held on Monday 12 December 2022 were agreed as a true and accurate record.</p> <p>Approved: The Minutes of the Previous Meeting, held on Monday 12 December 2022 were agreed as a true and accurate record.</p>										
4.	<p>Matters arising</p> <p>An update on outstanding actions from the December Corporation Meeting was provided:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">Agenda Item</th> <th style="width: 35%;">Action</th> <th style="width: 20%;">Responsibility</th> <th style="width: 15%;">Timescale</th> <th style="width: 15%;">Update</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">5.</td> <td>Skills White Paper and Environmental/Sustainability</td> <td>CGO</td> <td>January 2023</td> <td></td> </tr> </tbody> </table>	Agenda Item	Action	Responsibility	Timescale	Update	5.	Skills White Paper and Environmental/Sustainability	CGO	January 2023	
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5.	Skills White Paper and Environmental/Sustainability	CGO	January 2023								

	Group to be convened in January 2023.			
6.	Benchmarking data comparing with similar colleges to be included in future reports.	Head of Safeguarding	March 2023	
17.	A brief meeting with relevant Governors be scheduled in the New Year to discuss the OfS/HE position.	Principal/CEO/CGO	January 2023	Complete

It was agreed that the outstanding actions would be carried forward to the next formal meeting of the Corporation.

5. Chair's Actions

There were no Chair's actions.

6. Annual Report of the Audit Committee 2021/22

The Chief Governance Officer (CGO) presented the Annual Report of the Audit Committee highlighting the overall opinion that the Corporation could rely upon when approving the Financial Statements 2021/22.

EC asked whether the debt provision had been discussed by the Audit Committee. NK responded that the External Auditors had recommended that the College increase the debt provision and the College had asked for payment to be spread over five years. ME explained that it had been suggested that the provision ought to be higher but this was not material in terms of the financial statements. Given the uncertainty a more prudent approach was preferable. The Chair added that the Interim Executive Director Finance (IEDF) had uncovered a cause for concern and undertaken a lot of work to uncover the position which was being worked through to establish the final position.

In response to a query from EC, ME clarified that the financial statements did not address the student debt issue but this was recorded in the management letter and therefore transparent.

SF stated that the issue was that the student debt number was unknown and it was unclear how this position had occurred. The Chair replied that the Board had the best estimate at the moment and provision was being made. The IEDF advised that it was taking a lot of time to reconcile the records and put correct procedures in place at the same time as making sure that things that had occurred in the past did not reoccur.

SF questioned the timeframe for reaching the final position. AF stated that the problem around the uncertainty of the final figure was resulting in the amount of time set aside around the level of debt being difficult to predict. The IEDF replied that a proper reconciliation had not previously been undertaken for some time and it was hoped that a true picture could be provided by the end of March 2023. The CGO added that this level of detail regarding the debt provision had not previously been provided to the Auditors.

CD thanked the IEDF for her work on the reconciliation and advised that the College needed to consider lessons learnt about incorrect processes that needed to be amended through to the review of processes and the need to ensure that the Finance Team had the support they need. The priority was to ensure that the steps were in place to prevent this position reoccurring.

The Chair stated that the key point was that the issue had been discovered and work was taking place to fix it.

Approved: the Annual Report of the Audit Committee 2021/22 was approved.

7. External Auditors:

Letters of Representation

ME confirmed that the purpose of the Letter of Representation was to provide assurance that all relevant information had been received.

Approved: that the Chair of the Corporation sign the Letters of Representation.

Draft Management Report

ME advised that the report highlighted the areas discussed earlier in the agenda and there were no further issues. ME confirmed that they were comfortable with the accounts received and highlighted the inclusion of the going concern note. The Board were advised of the implications of the ONS review which had decided that Colleges would be reclassified as public sector bodies therefore impacting on current loans and credit facilities. As result, a note had been included in the report to explain the uncertainty around how the College would resolve the position. Discussions were still ongoing with the ESFA and DfE.

The Chair advised that the most obvious issue for the College from the ONS review was the rolling credit facility which the College could not now use without permission and included an exit fee. It has been confirmed that the College could continue with the subsidiary companies as long as public money guidelines were followed.

SF asked whether the College now needed specific approval to borrow and whether this would threaten the future of the College if we could not invest. The Chair replied that the College now had a single lender which was the DfE and they were the only option.

Financial Statements 2021/2

EC questioned whether the numbers within the financial statements were the same that had been provided in the forecast or whether there were any adjustments. The IEDF clarified that these were the figures for 2021/22 and only one adjustment that related to pensions had been made but this only affected the balance sheet.

AK stated that there were a number of issues that could affect strategic and tactical funding cash flow elements including the pay award and the Board needed to see thresholds for the pay award, bad debt provision and how this was aligned. Some Ofsted improvements would require resourcing which could impact alongside a potential shortfall of learners - the backdrop to that being the impact of not having access to commercial lending going forward. There was a need to simplify the areas of magnitude and how many decisions made by the Committees had a knock on effect on any contributory factors.

AF agreed with the above and advised that this was a current year set of issues but the Board were signing off the financial statements for 2021/22 therefore drawing a line under the previous financial year and once these were submitted the College could move forward. The figures looked inline with the figures seen previously and the Board could be confident to go forward and sign off the 2021/22 financial statements and upload them. The Board could then move forward and focus on the current year issues.

SF queried whether the financial deficit at the end of last year had been discussed as the build up of the deficit seemed higher. The IEDF replied that this included the pension but did not affect the position.

After further discussion, the Financial Statements 2021/22 were approved to be uploaded to the ESFA by the 31 December 2022 deadline.

	Approved: the Financial Statements 2021/22 were approved.
8.	AoB There was no further business.
9.	Date and time of next meeting – Monday 6 February 2023, Board Development Event

The Chair recorded his thanks to all in attendance their contributions and wished everyone a restful break.

The meeting closed at 8.37am.

Agenda Item	Action	Responsibility	Timescale	Update
C/f	Skills White Paper and Environmental/Sustainability Group to be convened in January 2023.	CGO	January 2023	Under review – Environmental sustainability Group will be convened after Easter
C/f	Benchmarking data comparing with similar colleges to be included in future reports.	Head of Safeguarding	March 2023	Benchmarking data is not collected by colleges

Signed.....
Andy Forbes (Chair)

Date.....