WEST NOTTINGHAMSHIRE COLLEGE
CORPORATION BOARD

Minutes of the Board meeting held on Thursday 31st January 2019 at 5.00pm

GOVERNORS PRESENT:	Kate Allsop, meeting Chair Paul Frammingham Rebecca Joyce Mary Mamik Neil McDonald Jon Mold Lee Radford Martin Rigley MBE Kate Truscott Sardip Sandhu Steve Sutton Martin Sim
ALSO IN ATTENDANCE:	Maxine Bagshaw, Clerk to the Corporation John Owen, Interim Finance Director Jayne Peacock, ESFA Observer Sean Lyons (Chair designate)

		ACTION by whom	DATE by when
1	**DECLARATION OF INTERESTS** The meeting Chair reminded everyone present to declare any interests that they may have on matters to be discussed. No specific interests were declared and standing declarations were noted.		
2	**APPOINTMENT OF THE EXTERNALLY RECRUITED CHAIR** The meeting Chair drew members' attention to the report prepared by the Clerk to the Corporation and all agreed that the content was self-explanatory. It was acknowledged that a robust and transparent process had been followed to recruit a new Chair. All agreed that his credentials and experience would be a real asset to the Board. AGREED: a) To approve the recommendation that Sean Lyons be appointed as a Governor for a 4 year period from 31st January 2019 to 31st January 2023 b) Approve the recommendation that Sean Lyons be appointed as		

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the Chairman of the corporation for an initial 2 year period from 31st January 2019 to 31st January 2021.

It was noted that the appointment to the role of Chair would be reviewed on an annual basis in line with performance monitoring.

Sean Lyons was invited to join the meeting and round-table introductions were made.

3 APOLOGIES FOR ABSENCE

Apologies for absence were received from Ian Baggaley, Malcolm Hall, John Holford, Tony Westwater and Mark Williams. Apologies received from members of the executive team were Louise Knott and Gavin Peake. The Clerk took the opportunity to formally advise the Board that Terry Dean resigned as a Governor and Director on 13th December 2018.

4 MINUTES OF THE MEETING HELD ON 13TH DECEMBER 2018

The Board were happy to confirm that the minutes were an accurate record of discussions.

AGREED: to approve the minutes of the meeting held on 13th December 2018.

5 ACTION PROGRESS REPORT

Minute	Action	Date
The Board were happy to note the content of the update provided. As a matter of process for future meetings they indicated that, if a report writer was not intending to be present then they would expect an alternative member of the executive team to present their items i.e. the Risk Report requested at line 6. In terms of the Committee reporting referenced at line 8, the Clerk explained that this would be in place for the next Board meeting when all new Committee Chairs will have been formally appointed.	Comm. Chairs	Feb. 2019 (Thereafter Standing Item)

The Principal confirmed that there had been no significant changes to the KPIs since the last meeting and therefore there was no formal report today.

In relation to line 2 and the request for an update on apprenticeship provision (and specifically minimum levels of performance) to be reported at each meeting, the Principal indicated that he felt that the College had now 'got to the bottom' of the situation and this will be shared with the ESFA next week at the planned case conference. What will then be required, is for the College to review its policy in relation to 'rollovers' and there needs to be a better understanding regarding the underlying current position, with any anomalies stripped out so as to better understand the trends. He explained that to date, the data had been clouded by historic methods of reporting and therefore it was

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understandable that it was a concern for the Board not to know the true position. He explained that a challenge for the College is that fact that when these anomalies are stripped out the College data will not match Ofsted's, as there is no flexibility in terms of retrospectively changing the 17/18 data which has already been submitted.

He advised that realistically the College will, either in 17/18 or in 18/19, dip under minimum levels of performance. If the dip is for the 17/18 year then there will be a negative financial impact in terms of clawback to the ESFA. He provided assurance that the worst case situation regarding clawback has been provided for within the financial plans presented to the Board.

A challenge from members of the Board was that they want to see consistency in terms of reporting. It was acknowledged that the tools are in place for month on month monitoring and that this needs to be transparently shared with Governors.

AGREED: to note the content of the update provided.

6 **<u>FEEDBACK FROM THE FR T&FG AND FRE MEETINGS HELD ON 30TH JANUARY 2019</u>**

The Clerk, having taken the notes from the meetings yesterday, provided a verbal update on behalf of the groups. She confirmed that a number of matters had been considered, these included:

- Financial Recovery Plan - Phase 1 implementation
- FE Commissioner actions - progress and a summary of the January 2019 visit feedback provided
- November and December Management Accounts
- Position in relation to finalising the 17/18 accounts
- Proposal to amalgamate the two groups

In relation to completion of the 17/18 accounts the groups were advised of a number of key dates. These are:

- 8th February – this is the KPMG deadline for finalising their audit and submitting to the College
- 13th February is the joint meeting of the Finance & Audit Committees to review the accounts and the audit management letter provided.
- 25th February is the Board meeting where the accounts need to be reviewed and an approved position agreed
- 28th February is the deadline date for submission to the ESFA and publication on the College website.

Key themes noted were:

- Phase 1 implementation is on track. The Finance Committee requested that more information/a breakdown be provided regarding costs and savings at the next meeting.
- The interim Principal intends to take a 'pause' and take stock

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before phase 2 of the restructure commences

- There is an acknowledged importance for the Committee to monitor the three year plan and the College's position in relation to this
- Good progress was seen regarding the FE Commissioner actions. Where further work is needed or actions accelerated, then these have been further elaborated and articulated in the January 2019 visit feedback.
- The in year 18/19 position at a headline level is tracking well. There is now some greater certainty in areas where previously there were considered to be high risks, for example 16-18 in year funding of growth.
- The proposal to the Board is to amalgamate the work of the two groups, with the Finance Committee remaining. This is on the basis that
  a) The two external co-optees currently on the Financial Recovery Task and Finish Group will join the Finance Committee
  b) There is greater confidence now regarding skills and committee membership numbers, there is a firm view that the Finance Committee has been strengthened.
  c) Monthly meetings will be scheduled. These are proposed at the end of each month with Board meetings then being rescheduled to the 1st or 2nd week of the subsequent month.
  d) The Committee chairs will devise a reporting mechanism to the Board, this is to give assurance and also reduce areas of duplication.

The Clerk advised that if the Board was happy to agree the recommendation that the two groups be amalgamated then there would be an impact in terms of current scheduling of meetings, these would need to be reviewed and would mean alterations to meeting dates. The Board was happy to support the proposals presented and acknowledged that new meeting dates would need to be recirculated by the Clerk.

AGREED:

a) To note the content of the update provided
b) Approve the recommendation that the Financial Recovery Task and Finish Group and the Finance, Resources and Estates Committee be amalgamated.

The Clerk confirmed that at the next meeting of the Finance Committee she would present the Terms of Reference for review, and that any proposed changes would then be included within the Committee Chairman's report to the Board.

7 **FINANCE UPDATE**

The interim Finance Director introduced this agenda item and a number of matters were considered.

1) Management Accounts - November and December 2018

It was acknowledged that, the joint meeting of FRT&G and Finance Committee which met yesterday, had discussed these in detail. The Chair of the Finance Committee (Paul Frammingham) confirmed that:

- The management accounts have now been recalibrated to the reforecast position, and it was acknowledged that the original budget is no longer accurate or appropriate.
- The interim Finance Director has committed to presenting a rolling yearend forecast in future Management Accounts.
- Variances could amount to a £1 million favourable position by the yearend.

He invited feedback from the Board in terms of the matters of assurance that they would want to receive from the Finance committee and that this should be compared with what the Board itself wants to review as part of a ‘deep dive’. The Board all agreed that it was not appropriate to delegate all financial responsibility to a sub-committee and they confirmed that they would wish to see management accounts presented at Board meetings, albeit that they would not interrogate the data at the level expected by the Finance Committee.

The Board was advised that a lot of work has been done since the last meeting, in terms of the loan position, and that there is now an agreed direction of travel.

In considering the Management Accounts in detail, there were a number of questions raised by the Board:

1) Page 3 of the management accounts makes a reference to the fact that the BKSB trading position is ‘below last year but ahead of budget’? The interim Finance Director expressed the view that this is a profiling/timing issue as actual activity is up. He indicated that this comment arises because of a timing issue regarding the profile of revenue rather than a worrying trend.
2) In relation to 16-18 learner funds the notes indicate that these are lower than expected because of ‘capacity’, Governors wanted to know exactly what this meant. The interim Finance Director indicated that it is a specific fund that attaches to 16-18 learners. Currently the College does not have clarity regarding the costs associated with delivering this fund and therefore a decision has been taken to only recognise the smaller amount of income. There is an expectation that the position will level out by yearend.
3) A challenge from the Board was the fact that marketing spend is currently running at double the revised budget (page 8). The

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interim Finance Director explained that there was a mismatch because of the way the revised budget has been created. He provided assurance that this has now been addressed and the change in position will be reflected in the January 2019 management accounts.

A challenge from one member of the Board was in relation to cash flow reporting. It was acknowledged by all that cash is a significant challenge for the College and therefore the Board asked to see what factors are driving the cash position. They asked for additional commentary on this to be included in future management accounts. The interim Finance Director confirmed that he and the finance team is committed to making cash flow forecasts and reporting more sophisticated going forward.

Members of the Board indicated that they would find it useful to have a summary table of ongoing indebtedness to be included somewhere within the monthly management accounts.

The Board considered the KPIs set out in section 10 and requested that they be expanded to include all usual sector KPIs, for example staff ratios, debtor days etc. They asked that an enhanced KPI report be provided.

A question and challenge raised by one member of the Board in relation to cash flow was the fact that the management accounts show the March 2020 position as being £2 million cash in hand, however the BDO report has the same date as being circa £250k. The Board asked for an explanation on the differences. The interim Finance Director confirmed that he would review and would provide an update on this outside of the meeting.

Interim FD | Feb. 2019

The interim Principal indicated that he was pleased to see a lot more certainty regarding many aspects of college activity, however there were two areas of concern for him going forward, these are:

a) The OfS position in relation to the application submitted
b) The College retaining its position on the register of training providers (ROTAP).

He indicated that what is not known at this stage is how the College will be treated externally by OfS and ROTAP because of the intervention and administered status. It is not known whether the College will be removed from the register of training providers and, if it is, this would mean significant negative financial consequences.

2) <u>Loan position update</u>

The interim Finance Director confirmed that the report available on the portal was prepared a week ago and that there have now been further developments. In terms of context he explained that a significant risk for the College was the potential issue regarding loans past 31st January, and specifically the security requested by both the bank and ESFA

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regarding BKSB shares. He advised that the bank and the ESFA have now been able to resolve the position between themselves and as a consequence the final request for exceptional financial support has been agreed in principle.

He advised that, in short, the expectation is that BKSB will have to be sold debt free. This would mean that the loan from BKSB would be repaid at the point of sale. The proceeds would then be prioritised as follows:

- First - (unspecified) amount to meet the costs of sale
- Second - £4.675 million to the ESFA (i.e. the new amount of EFS to be injected in February and March 2019)
- Third - £3 million to Lloyds Bank (in order to repay the revolving credit facility), and the
- Balance to be split equally between ESFA and Lloyds

He advised that matters for consideration for the Board in deciding whether to approve this arrangement include:

- After repayment of the ESFAs £4.675 million and Lloyds £3 million there will still be a balance of approximately £5.73 million of EFS outstanding and approximately £12.5 million of Lloyds loans outstanding (the exact amount will depend on the timing of the sale). Repayment of the Lloyds loan is approximately £750k per year, although there is a balloon payment of £6.8 million due in 2022. Although the BKSB net sale proceeds are unknown it is unlikely to yield enough to pay the EFS in full and leave sufficient to cover the 2022 payment. There will therefore be a need for further negotiation with the ESFA and the bank following the sale to address the issue of any outstanding balances. He advised that even if the sale of BKSB is at the high end of the valuations then it will still be insufficient to reduce the level of college debt to the sector norm which is around 40% of income. 40% would take the College down to a circa £10 million expectation and, even if this could be achieved, it would not leave the College any monies to invest.

He advised that the Transaction Unit has today issued the College with a draft term sheet. This has not been shared in advance with the ESFA and so is subject to change. Furthermore the arrangement has not yet received Treasury sign off so could be subject to further change. The College has been asked to respond formally to the draft terms by Wednesday 6th February 2019. The ESFA observer explained that the ESFA cannot release the February exceptional financial support payment until it knows that the College is happy with the draft terms. The interim Finance Director acknowledged that Governors will not have had time to digest the information provided and confirmed that he was not expecting a decision there and then. He therefore invited Governors to consider the proposal from the Transaction Unit and feed any comments back to himself via email by Monday 4th February. Subject to any comments received he also asked for delegated authority to the Chair to approve the proposal in principle, following any points of clarification required. He confirmed that he would then be in a position to provide feedback to the ESFA on Wednesday and that part of the process would also require agreement from the BKSB Board of Directors.

He advised that there will be an opportunity at a future meeting to look at the arrangements and approve final terms.

The Board considered the longer-term position for the College and the balloon payment requirement and all acknowledged that it was very difficult to predict what the College will need in 3 years' time. The interim Finance Director confirmed that there was nothing within the term sheet which had come as a surprise and he reiterated that it was not binding at this stage. The Board, following a very cursory review of the heads of terms, raised a number of questions and queries:

- Page 3 sets out the proposed timing of the sale – they asked for clarity regarding how this aligns with dates in the College's financial plan. The interim Finance Director advised that the plan is predicated on a sale delay in to 2020. This is to give some distance between the sale and the College's currently known distressed position. He explained that the College is currently dependent upon Gift Aid for the 18/19 and 19/20 academic years and there is the expectation that the College will continue to receive full Gift Aid, however this is something that will need ESFA and bank approval. He confirmed that this expectation is incorporated within the financial plan which has been shared widely with the ESFA and other stakeholders. All agreed that, before the point of sale, the College needs to be able to show that it is viable without receipt of BKSB Gift Aid. The interim Finance Director confirmed that the post 2020 position will be reviewed in the next phase of the independent business review.

All agreed that the negotiated position by the ESFA and the bank was a supportive standpoint taken to ensure that the College continues, this also shows confidence in the recovery plan presented.

The Board asked for a summary of the current exceptional financial support commitment. The interim Finance Director confirmed that the College has, or will receive:

- £2.1 million in July 2018
- £1.6 million in October 2018
- £2 million December/January
- £5.7 million in January 2019
- £4.7 million in February 2019

Making a total of £10.4 million.

In terms of next steps, it was agreed that the interim Finance Director would await feedback from all Governors on the draft heads of terms.

Two further observations were made on the heads of terms, these were in relation to the ‘conditions’

- In relation to the ‘full estates review’, further clarity was requested in terms of what this entails and whether or not it needs to be a review and agreed actions approved by the Board. Governors expressed the view that, it should if possible, be considered by the Finance Committee before coming to Board. The date for this review is 28th February 2019 and the interim Finance Director confirmed that it has already been commissioned.
- In relation to ‘the appointment of a turnaround/commercial NED’, the Board asked for greater clarity in terms of who, what, when and the process to be followed etc.

The interim Principal specifically asked the Board to note that the last tranche of £4.7 million to be received by way of exceptional financial support is less than originally envisaged. This is because there has been a recognition that the College could not provide absolute certainty regarding the outstanding apprenticeship investigations and value of any potential clawback. As a consequence, the potential clawback figure could not be reflected in an application for EFS, as monies cannot be paid in advance of need. These amounts are still recognised as a potential liability, however the ESFA have confirmed that they will look at the College’s ability to afford repayment in the future.

3) Progress made regarding the financial recovery plan/restructure

The Board was advised that consultation ended yesterday and there has been a need to make compulsory redundancies. This was described as a difficult process but the senior team remain confident of hitting the targets set. He indicated that before commencing phase 2 there will be a short pause where the senior team have the opportunity of reviewing all income lines and awaiting confirmation of 19/20 allocations. He expressed the view that it was important not to make rushed decisions, and that there needs to be certainty regarding data, albeit that there is a strong staff desire to get all of the hard decisions out of the way. He confirmed that there was ongoing dialogue with the unions.

He envisages that there will be a 4-6 week period now to take stock and identify areas that need to be targeted. Once there is greater certainty then he will consult with the Board and unions. The expectation is that the phase 2 restructure will be achieved before the end of this financial year. It was specifically noted that the College will not have the benefit of exceptional financial support to offset the costs of the second phase of restructure and therefore the College really needs to have certainty regarding its cash flow position before the process commences.

4) BDO report

Interim Finance Director provided context for this report and confirmed that it had originally been requested by the bank. The draft report was

originally prepared in 2018, however this included an expectation of the part sale of BKSB. When the sale did not complete then it was acknowledged that the review was based upon invalid key assumptions and therefore the report was never progressed to a final stage.		
The independent business review was recommissioned in the autumn term and it was agreed that it would be for the benefit of the College, Bank and the TU. It covers the first two years of the recovery plan which are 18/19 and 19/20. He confirmed that the review needs to be extended beyond this period to address the longer-term viability of the College. The College is currently updating years 3, 4 and 5 of the plan which will then be tested by BDO. It is envisaged that this work will take place towards the end of February 2019.		
Governors' attention was specifically drawn to pages 13 and 14 which set out the key findings. The bank has asked for the College's response which has not yet been provided. The interim Finance Director welcomed comments from Governors outside the meeting.	Governors	Feb. 2019
He drew members' attention to pages 48 and 49 which set out the risks and sensitivities and invited any questions around this.		
In considering the document a question was raised regarding page 14, and there was some concern regarding the reference to 'cleansing accounting'. Assurance was provided that all proper accounting policies, procedures and practices are followed by the College. It was agreed that the College's response to the recommendations would be shared with the Finance Committee at its next meeting and a tracker created and reported on by the interim Finance Director.	Interim FD	Feb. 2019
5) <u>Progress regarding 17/18 Financial Statements</u>		
As reported earlier in the meeting, it was confirmed that the College is on target to hit the extended deadline provided by the ESFA to 28th February 2019. One member of the Board cross referenced with comments made on page 13 of the BDO report and it was explained that this comment was on the basis that the KPMG work was not concluded at the time of the BDO review. The interim Finance Director confirmed that KPMG had been on site for the last two weeks and so far there is no negative feedback, although it is expected that there will be a management comment in relation to the former Principal's expenses.		
6) <u>3 year plan</u>		
The interim Finance Director confirmed that there is a need to convert the College's financial recovery plan in to the expected ESFA format. It is the same information approved by the Board but needs to be provided to the ESFA in a sector standard document. He apologised for not being in a position to share in advance of the meeting today and confirmed that he was looking to finalise and submit to the ESFA tomorrow.		

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It was agreed to;

a) Circulate the 3 year plan to the Board outside the meeting by email;
b) Send a draft copy of the 3 year plan to go to the ESFA tomorrow; and
c) Present the 3 year plan for formal approval at the Board meeting scheduled for 25th February 2019.

AGREED: to note the content of the updates provided.

8 **PARTNER/SUBCONTRACTOR INVESTIGATIONS UPDATE**

The interim Principal reported on this item and gave an update on three investigations.

1) Trackwork

He advised that a sample has now been audited by the ESFA and the next step is for the audit team to submit a report to the ESFA. The College is awaiting a reconciliation statement. The Board was reminded that the agreement with the ESFA is that the audit would be binding. This is a national issue and involves several colleges. He confirmed that once the reconciliation has been provided by the ESFA then it will bring closure to this particular investigation. It was noted that the audit undertaken was at the ESFA's cost.

2) CAP4

The Principal indicated that investigations are not revealing any concerning issues here. Records have been audited and it is believed that there will be no negative funding implications. The College is not expecting any clawback. It was noted that Cap4 have recently been subject to an Ofsted inspection themselves and the outcome was positive.

3) SIDDHI

The interim Principal indicated that, the question here is whether or not there is fraud regarding the existence of learners. He advised that his predecessor took the decision not to undertake a college audit or report concerns that had been communicated to her to the Audit Committee or the ESFA. The interim Principal, when he joined the College, received what he considered to be a whistleblowing disclosure, which was reported to the ESFA and the Audit Committee regarding suspected irregularities. It was noted that SIDDHI do not subcontract to any other college and therefore it remains the College's responsibility to investigate the position. The interim Principal confirmed that he had commissioned an external investigation, which unfortunately has been inconclusive despite suspicions. It has subsequently been found that the subcontractor data has been subject to a public finance audit on two occasions by two different companies, with no concerns raised. The College has been in touch with action fraud and the police have said that there is insufficient evidence for them to intervene.

He advised that there are ongoing discussions with the ESFA regarding next steps and a joint strategy needs to be agreed. There needs to be a consensus reached regarding what actions are expected, albeit within the context that the College needs to be conscious of likely costs with no guarantees of success if civil proceedings were to be considered. He confirmed that this would be a matter for discussion with the ESFA at the case conference scheduled for next week.

The Board were advised that there are currently 242 learners on record with SIDDHI, however it is likely that less would need to be supported if the contract was terminated. The view of the interim Principal at the minute is to avoid any unnecessary costs being incurred.

A challenge from one member of the Board was whether or not the contract terms with subcontractors needs to be changed, particularly in relation to the College's right to access data and speak to students. The interim Principal explained that whilst the current terms and conditions do provide the College with this right what it cannot compel is that the learners to speak to the College. The Board questioned the level of likely risks in this area. The interim Principal confirmed that legal teams for the College and SIDDHI are working to try and get over the current impasse.

A question and challenge from one member of the Board was regarding any safeguarding issues for the 242 learners. The interim Principal advised that the College is being assured by the company that there are no concerns, however, the College is unable to verify this independently. He explained that most, if not all, of the students are due to end their learning by July 2019. It was noted that payments to this subcontractor have been on hold since September 2018. A challenge from one member of the Board is that, whilst these individuals remain College learners, they are our responsibility. It was felt that the lack of clarity regarding College engagement with these learners had to be considered as a risk should there be an Ofsted inspection. Whilst this was acknowledged, all agreed that there was very little more that the College could do other than what is currently being done.

9	**FE COMMISSIONER STOCK TAKE VISIT**		
	The notes taken during the feedback meeting were considered and the interim Principal provided assurance that all recommendations have been actioned, even though it is unlikely that the College will receive the formal report in the next 6-7 weeks. He described the stock take as a thorough review and a fair process. He drew Governors attention to the structure and prospects appraisal reference and explained that this may be a recommendation because of the risks that still exist for the College going forward. He explained that it is going to be important to consider a 'plan B' because of the risks. There was some debate regarding negative perceptions of a structure and prospects appraisal and what message this may give at a critical time when the College is rebuilding its reputation and position both locally and regionally.		
	It was agreed that the FE Commissioner actions tracker document would be shared at future Board meetings for information.	Interim Principal	Standing item
	AGREED: to note the content of the update provided.		
10	**FOUNDATIONS FOR RECOVERY – UPDATED POSITION FOLLOWING THE GOVERNORS PLANNING DAY ON 10TH JANUARY 2019**		
	The interim Principal took the opportunity to thank Governors for the feedback provided. He explained that the document was now being consulted on more broadly, which will include staff during a development day in February. He explained that one aspect of the document that needs some further debate at Board level is the Sheffield Centre. He considers it highly likely that decisions on the Sheffield Centre will form part of the phase 2 restructure.		
	AGREED: to note the content of the update provided.		
11	**SELF-ASSESSMENT REPORT FOR 2017/18**		
	The interim Principal introduced this item and it was acknowledged that the Standards Committee had reviewed this in detail at its meeting on 10th January. The two grade 4s proposed were specifically referenced. It was confirmed that this relates to the 17/18 year. All agreed that it was important to be realistic and self-reflective in terms of the College's current position and its risks.		
	The Principal advised that the College's performance for 16-18 year olds has been assessed by the DfE and the vast majority of results are really positive, particularly in terms of A-Levels. These put the College in the top 20% nationally. He advised that the statistics are also positive in year for 18/19, which is fantastic news for the College.		
	The Chair of the standards committee indicated that the minutes of the meeting show the level of challenge and scrutiny in terms of the SAR		

document and the SAR process. She explained that this was a meeting dedicated to the SAR and QIP and that agenda items would normally be much broader and gave assurance that there is a work plan in place that reflects this. All were assured that a robust and challenging self-assessment process had been undertaken.

AGREED: to approve the Self-assessment Report for 2017/18 as presented.

12 MINUTES OF THE REMUNERATION COMMITTEE MEETING HELD ON 13TH DECEMBER 2018

The content of the minutes was noted and the interim Principal took the opportunity to provide an update on the impact that the restructure has had on the executive team. As governors are aware, the College has undertaken a detailed review of its management structures and executive reporting lines as part of the phase 1 cost saving exercise. An outcome of this was the recommendation to create a new Vice Principal post for Curriculum and Quality. Two of the existing executive team (Directors of Quality & Performance and Learning & Innovation) were placed at risk of redundancy and pooled for this role in November 2018. Through the consultation exercise the Director of Quality and Performance requested to take voluntary redundancy. The Director Learning & Innovation was interviewed for the role of Vice Principal by a panel consisting of the interim Principal, interim Vice Chair and Head of HR but was subsequently unsuccessful. Both Directors will leave the College by way of redundancy today. It was explained that, as the Vice Principal role was a promotion, a robust process had to be considered, and, because it was potentially a senior post holder position, a representative from the Board was involved.

He explained that this now leaves the College with a vacancy and the intention is to appoint an interim. In relation to this, a long list of seven was considered by the acting Vice Chair and the interim Principal, and from this a shortlist was agreed. The successful candidate will start immediately, however, it is not proposed that this interim position will be as a senior post holder. The need for an interim is so that the new Chair and incoming Principal will have an input regarding a permanent appointment and therefore this puts it at a circa May 2019 decision. He provided assurance that he was working within the financial envelope of the recovery plan so that there would be no unexpected costs. All agreed that the skills set for both the interim and the permanent individuals in this post were paramount.

The interim Principal put forward the proposal that the two Vice Principal posts i.e. Vice Principal Curriculum and Quality and Vice Principal Communications Engagement and Student Experience should both be repositioned as senior post holders. If approved, this would mean that Louise Knott would have a change in status to senior post holder.

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	The Board was happy to support the recommendations made and agreed that the posts of Vice Principal Curriculum & Quality and Vice Principal Communications Engagement & Student Experience would both be designated as senior post holders.		
	One member of the Board, when considering the minutes of the Remuneration Committee meeting held on 13th December, raised a challenge in terms of the targets set for the Principal and the Finance Director. It was agreed that they needed to be extended and more detailed. They asked that the Chairman, as part of his review process, agree the appropriate mechanism for performance reporting and consideration of salaries for senior post holders.	Chair	Jan. 2019
	AGREED: a) to note the content of the Remuneration Committee minutes dated 13th December 2018 b) approve the designation of the two Vice Principal roles as senior post holders		
13	**<u>MINUTES OF THE STANDARDS COMMITTEE MEETING HELD ON 10TH JANUARY 2019</u>**		
	The Board were happy to note the content of the minutes in light of earlier debate regarding the self-assessment report.		
14	**<u>INDEPENDENT INVESTIGATION (ICCA)</u>**		
	The Clerk provided a verbal update and explained the context for the external review commissioned. She indicated that this was to take a 'lessons learned' approach to concerns raised regarding the timely provision of information by the former Principal, Finance Director and the executive team to the Board. It was confirmed that the expectation is that this review will be concluded at or before Easter 2019.		
	The interim Principal took the opportunity to provide an update regarding KPMG's audit of the former Principals expenses. He expressed a view that there is a need to be open and transparent with the organisation and that it is highly likely that some negative comments will be made in terms of taxi costs and potential tax liabilities regarding benefits in kind. It was noted that observations made by KPMG would form part of their audit management letter which is due to be considered next month. The Board shared the view that there needs to be transparency so that there can be a change in culture, particularly regarding accountability. The Board indicated that they would find it useful to see the scope of the review commissioned. The Clerk confirmed that she would circulate as a matter of urgency.	Clerk	Jan. 2019
	AGREED: to note the content of the update provided.		

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15 **AOB**

As a matter of additional business the Clerk took the opportunity to confirm that two additional Directors had been appointed to the VBSS Board, this is to replace members of staff who have now left the organisation. She confirmed that this was agreed by the Chair for expediency outside of the meeting and therefore needed to be reported and recorded officially here. The Board were happy to support the decision taken.

One further matter noted was the publication of the FE Insolvency regime guidance, it was confirmed that this was circulated to Governors yesterday.

16 **DATE AND TIME OF NEXT MEETING**

The Clerk confirmed that the next scheduled meeting is 25th February 2019. It was acknowledged that thereafter meeting dates would need to be reviewed in light of agreed scheduling for Finance Committee and the impact that this will have on the timing of Board meetings.

Meeting closed at 7.30pm.

Signed : ____________________________Chair Date: