

GOVERNORS' MANAGEMENT COMMITTEE

Minutes of a Meeting 3.00pm Tuesday 22nd November 2011 Gordon Canning Room

Present: Mr Graham van der Lely (Chair) (GVdL)
Mr Mark Davison (MJD)
Mr Edward Keene (EK)
Mr Malcolm Wharton (MW)
Mr Charles Whitehouse (CW)

In Attendance Mr Graham Ledden (GL)
Mr Luke Rake (LR)
Dr Stephen Waite (SW)
Mrs Lesley Worsfold (LW)

Apologies: Mr Martin Baber
Mr Bob Barnett
Mr Mike Burton
Mr Jim Hickman

Minutes: Mr Rob Lee

	ACTION	ACTION DATE
<p>1. Apologies</p> <p>Apologies were received from Mr M Baber, Mr R Barnett, Mr M Burton and Mr J Hickman.</p>		
<p>2. Declaration of Interest – Paper GMC02/11/11</p> <p>The Clerk advised that member's interests would be taken as those disclosed in the Register of Members Interests. There were no declarations of members interests for agenda items.</p>		
<p>3. Minutes of the Last Meeting – Paper GMC03/11/11</p> <p>Minutes of the meeting held on the 6th October 2011 were agreed to be a true and accurate record and signed by the Chair.</p>		
<p>4. Matters Arising</p> <p>4.1. (6.1) Update on Sports Academy Roof will be discussed during Agenda item 6.</p>		

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<p>4.2. (12.0) Update on potential tax issue with Limbury Ltd. Paper GMC04.2/11/11</p> <p>GL confirmed that this matter had been discussed at the Audit Committee and advised that the SFA has confirmed that they believe the transfer of assets between Limbury Ltd and the College is a matter for the College. GL advised that the next stage was to liaise with Grant Thornton over any potential legal and tax issues.</p> <p><i>The next meeting will be updated.</i></p>	GL	25/01/12																																								
<p>5. Discuss and approve monthly accounts for September 2011 to include performance of College commercial enterprises and Employer Engagement to targets. Paper GMC05/11/11</p> <p>GL advised that the results for the first two months of the year show an operating deficit of £1801.1K compared to a budgeted deficit of £1875.6K, and represents a £74.6K favourable variance. GL explained that there was no HE income and very little residential in the accounts so at this time they were not very representative but advised that there was no areas currently that indicates that the budget is wrong.</p> <p>GL outlined the performance of the College commercial enterprises.</p> <table border="1" data-bbox="204 1025 1134 1395"> <thead> <tr> <th></th> <th>Actual £000's</th> <th>Budget £000's</th> <th>Variance £000's</th> </tr> </thead> <tbody> <tr> <td>Catering</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Bar</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Conferencing</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Equine</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Stud</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Farm</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Residential</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Transport</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Business</td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <p>In response to GvdL GL advised that the transport figures were currently not representative as no income as yet been included. In response to CW MW advised that we were transporting 100 more students this year but did not have significantly more students in total. One of the main reasons for this increase in students using our transport was that the Local Authority, due to financial cuts, no longer offers bus passes to the majority of our students. In response to CW GL advised that the College subsidises each student who uses our transport by about £1000. In response to CW GL advised that the Catering variance looks as though it is going to be rectified in October and the subsidy in this area should be reduced by £200K this year.</p> <p>In response to MJD GL confirmed that the cash flow ratio was no longer a covenant. GL explained that there were only two covenants, one relating to the ratio of debt servicing costs and the other that we would not make a loss in two consecutive years before FRS17.</p>		Actual £000's	Budget £000's	Variance £000's	Catering				Bar				Conferencing				Equine				Stud				Farm				Residential				Transport				Business					
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<p><i>The final page of the accounts will have covenants removed from the title.</i></p> <p><i>The Management Accounts for September 2011 were approved.</i></p>	GL	Immediate
<p>6. Update on Capital Projects. Paper GMC06/11/11</p> <p>6.1. Home Farm</p> <p>GL confirmed that the building was completed on time and below budget. GL advised that the only project risks outstanding were for the Local authority to confirm that the "Road Safety Scheme" is complete and updating the annual Travel Plan. There had been a bad accident at the junction since the improvements but it had not involved anyone from the College. In response to CW MW advised that the Local Authority would be unlikely to give us details of the accident and would gauge the affect of the improvements over a longer timescale. GL advised that the completion of the Travel Plan was being delayed by the car trap being damaged on a number of occasions. It was believed that students were responsible as they thought it was a speed trap and they had been e-mailed to advise of its purpose.</p> <p>6.2. Sports Academy</p> <p>The Sports Academy extension for Gloucester Rugby has been completed and within budget.</p> <p>6.3. Sports Academy Roof</p> <p>The work has been costed at £314K. The suggestion of issuing protective writs against the parties has been discounted as it is apparent that we are out of time in respect of making a claim. It seems as though the contract with the builder was never executed. In response to GvdL MW advised that a Project Manager had been appointed at the time and it would have been their responsibility to have ensured that contracts were executed. MW believed that if the contract has not been signed then we need to understand the legal position.</p> <p><i>The next meeting will be updated.</i></p> <p>6.4. The Dingle</p> <p>A planning application for the cladding of the Dingle accommodation is with the Council. We will need to confirm the date of completion which we have suggested as September 2014. The contractor can complete the work in 8 weeks with some of the work being possible whilst the students are still in residence. GL advised that we still need SFA approval.</p> <p>6.5. Renewal Grant</p> <p>GL advised that we have recently been awarded £100K from this fund to be used to improve the condition of the estate. The fund needs a 1:2 contribution from the College and we have informed the SFA that we will use the £300K for roof strengthening and additional photovoltaic</p>	GL	25/01/12

	ACTION	ACTION DATE
<p>panels. The money must be spent by March 2012 and discussions were taking place how this could be best achieved. CW advised that the tariff on the photovoltaic panels has now been cut but the cost of the panels has also reduced.</p> <p>6.6. Enhanced Renewal Grant</p> <p>GL advised that an application has been submitted to the SFA for £1165.5K to be matched 1:2 from College funds to build a new FE Independent Learning Centre and Foundation Studies building. GL advised that 130 colleges have bid and only 40 are likely to be successful. In response to GvdL GL advised that our bid states that if we are unsuccessful we will not construct the buildings. MW advised that we may have to re-work the figures. GL advised that we will need clarification from the Bank.</p>		
<p>7. Discuss and approve amendments to the Financial Regulations. Paper GMC07/11/11</p> <p>GL advised that we look to amend the Regulations on an annual basis and the proposed amendments are marked. GL went through the more important amendments. It was noted that the amendment to point 13.2.1 needs to be completed.</p> <p><i>The amendments to the Financial Regulations with the above change were approved.</i></p>	GL	Immediate
<p>8. Discuss and approve the International Strategic Plan and Travel Plan. Paper GMC08/11/11</p> <p>MW advised that the International Director was making a presentation to the Governors at their Strategic Planning Day when he would be able to expand on the paper. MW briefly went through the main points of the Plan. GvdL noted that there was no business plan outlining the financial outcomes and MW advised that this is a question that could be asked of the International Director at the Planning Day.</p> <p><i>The International Strategic Plan will not be approved until the Governors Strategic Planning Day.</i></p>	Clerk	24/11/11
<p>9. Note Financial Health of the College. Paper GMC09/11/11</p> <p>GL advised that the SFA "have concluded that the underlying grade for your college is satisfactory". MW advised that we need to ensure that a process is put in place to change the methodology and that we should write to the CEO of the SFA.</p> <p><i>It was agreed that we should write to the CEO of the SFA relating to a proposed change in the methodology of calculating a college's financial health.</i></p>	MW	Immediate
<p>10. Any Other Business</p> <p>10.1. College Credit Card</p> <p>GL advised that the credit card of Mark Fisher is continually reaching its credit limit. This is mainly due to the credit card being used for other</p>		

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<p>than its prime purpose which is to purchase IT related equipment.</p> <p><i>It was agreed that the credit card allocated to Mr Mark Fisher will be restricted in its use to the purchase of IT related equipment.</i></p>	GL	Immediate
<p>11. Dates of Future Meetings all to be held at 11.00am</p> <p>Wednesday 25th January 2012 Thursday 7th February 2013 Wednesday 25th April 2012 Wednesday 1st May 2013 Thursday 21st June 2012 Thursday 20th June 2013 Thursday 4th October 2012 Thursday 3rd October 2013 Wednesday 21st November 2012 Thursday 25th November 2013</p>		

Mr Graham van der Lely
Chair Governors' Management Committee

1st February 2012