



College

USP College Corporation

Minutes of the Meeting held on Tuesday 11 February 2020

Palmer's campus

Meeting commenced: 16.00hrs

Meeting ended: 16.40hrs

Present

Gordon Haines	Independent Member	Chair
Phillip Lennon	Independent Member	Vice Chair
Ian Hockey	Independent Member	
Ralph Henderson	Independent Member	
Andy Williams	Independent Member	
Roger Key	Independent Member	
Jacob Smith	Independent Member	
Dan Pearson	Principal & CEO	
Julie Snelling	Staff Member	
David O'Donovan	Staff Member	

Apologies for Absence

John Baker	Independent Member
Graeme Loveland	Independent Member

Not attending

Emily Riseborough	Student Member
Ruta Dubinskas	Student Member

In attendance

Steve Hendy	Chief Operating Officer (COO)
John Revill	Vice Principal Partnerships, Funding & Business Planning (VP P,F&BP)

Clerk

Sue Glover	Clerk to the Corporation
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001/20 Declarations of Interest

Members and staff were reminded of the need to declare any personal or financial interest in any item to be considered during the meeting.

Ralph Henderson advised that he is a Director of Rugby at Thurrock, President of William Edwards' Alumni and a member of the William Edwards' Trust.

There were no other declarations of interest.

002/20

Apologies for absence

Apologies for absence were received from:

- John Baker
- Graeme Loveland

Agreed

The Board accepts the apologies for absence.

003/20

Unconfirmed minutes of the meeting of the Corporation Board held on 17 December 2019

The minutes of the meeting were approved and signed as a correct record.

004/20

Matters arising and action points from the minutes of the previous meeting

Members reviewed the action points arising and agreed that all Action Points had been satisfactorily completed and that there were no other matters arising from the minutes of the previous meeting.

005/20

Membership of the Corporation Board

The Clerk presented a report detailing issues relating to the membership of the Corporation Board.

Members were advised that Alex Dobinson has resigned from the Board with effect from December 2019, due to her work commitments. It was noted that her current term was due to end in April 2022. Alex served on and was the Chair of the Quality Committee. Ian Hockey has agreed to take up this role and he will formally be appointed at the next meeting of the Quality Committee. He will also take over the role of Governor Safeguarding Lead from Alex.

The Board was advised that the Search and Governance Committee are due to meet with a potential new governor at their next meeting in February and any recommendation will come to the March board.

The Chair took the opportunity to pay tribute to Alex for all her hard work and contribution to the College during her time as governor and thanked Ian for taking up the role of Chair of the Quality Committee and that of the Governor Safeguarding Lead.

Agreed

The Corporation Board receives and notes the report

006/20

Integrated Financial Model for Colleges (IFMC)

The Chief Operating Officer presented, for consideration and approval, details of the new Integrated Financial Model for Colleges (IFMC).

The Board was advised that the ESFA have introduced the IFMC for all Colleges, which aims to improve the financial monitoring of colleges in order to enable early identification of issues that could result in financial difficulty for the Institution concerned.

This model replaces the four returns currently made – Financial Plan, Financial Record, the Cash Flow forecast and the cash flow against debt servicing (CFADS) model.

In addition, this new model covers four financial years as follows:

- Year 1 – the year just complete – 2018/19
- Year 2 – the current year – 2019/20
- Year 3 – Forecast for 2020/21
- Year 4 – Forecast for 2021/22

Members were advised that since the introduction of the IFMC, a high number of errors have been identified within the model and this continues as more and more Finance Directors complete the model. It would appear that the model was not tested appropriately before it was released and this is evident as version 5 has been worked on and presented with version 6 imminent.

The deadline to complete the model was originally 31 January but was changed to 28 February 2020. Given the amount of work involved in completing the model and the number of errors identified, requests were made to the ESFA to defer the submission until the model had been fully tested and/or introduce a new deadline. The ESFA is not supportive of this request.

The COO advised that work is well underway in completing the IFMC. However, it is evident that the main issues are where data inputs do not feed through the spreadsheets correctly, which affects both the Balance Sheet and Cash Flow. If these issues are unable to be resolved then the approach taken will be to input balancing adjustments and make this clear within the narrative section of the model and the accompanying commentary. For the reasons stated, it has not been possible to complete the IFMC by the time of this meeting as originally planned.

Members discussed the issues raised and agreed that it was for the ESFA to resolve the errors identified within the new model and was unrealistic of them to ask for the Board to approve this model as it currently stands. The extensive work that has had to be undertaken by the Finance Team was also acknowledged.

The Board agreed that work should continue on the IFMC by the COO and his Finance Team and that authority is delegated to the Finance Strategy Group, consisting of the Chair, Vice Chair, Principal and COO, to review and approve the final version. Other members of the Board would be invited to attend this group and the Clerk will arrange for them to meet on 25 February 2020. The approved IFMC will be presented to the Corporation Board and the Finance and Resources Committee at their planned meetings in March.

The Principal took the opportunity to inform the Board that there is a projected uplift in funding at the end of February/beginning of March with extra funding from the government equating to circa £800k. As approved in the revised budget, the College is forecasting an operating deficit position of £350k for 2019/20 but for the following year, the College is targeting a £500k surplus, which will allow for a level of contingency in place and help to build reserves.

The Board thanked the Principal and COO for keeping the Board informed of the financial issues faced by the College and agreed that the future looked very positive. It was further agreed that it would be sensible for a reserves policy to be put in place in due course, which would allow for investments to be made in the future.

Agreed

The Corporation Board agreed that, on the basis that work will continue on version 6 of the IFMC, authority is delegated to the Finance Strategy Group to review and approve the final version at a meeting to be arranged on 25 February 2020 and that attendance at this meeting is extended to all Board members. The final version will be presented to the Corporation Board and the Finance and Resources Committee at their planned March meetings

007/20

Funding Arrangements

The Chief Operating Officer presented, for consideration and approval, details of the arrangements for the bank overdraft together with an additional facility for short term funding.

Barclay Bank Overdraft Facility

The Board was reminded that previously it had been agreed to put an overdraft facility in place with Barclays for £500k to provide additional cover during the low funding points. This has now been agreed by Barclays and the appropriate paperwork is to follow and will be presented for signature when received.

Resolved

The Corporation Board reaffirmed its agreement for an overdraft facility to be in place with Barclays Bank for £500k, to provide additional cover during the low funding points

Whitehall Finance

The Board was advised that short-term funding arrangements have been made available from Whitehall Finance. This would provide a facility for up to £500k and used only if required to manage the College's cash flow.

It was reported to the meeting that from time to time the College intended to recommend to certain of its suppliers that they become members of Whitehall Finance. In becoming a user of the Whitehall Finance platform our supplier/s will benefit from accelerated payment of invoices, which relate to sales of goods and/or services to the College (each such debt being a 'supplier receivable').

As a condition of our supplier/s being accepted for membership of Whitehall the College has agreed to provide to Whitehall Finance (or Whitehall Security Limited (as security trustee)) Promissory Notes in relation to each and every Supplier Receivable which is traded over the Whitehall Finance platform, and in support of such Promissory Notes the College is required to execute a Letter of Offer in the form produced to the Meeting.

After due and careful consideration of all the circumstances, and on being satisfied that it is for the benefit of the College, and in the interests of the College for the purposes of carrying on its business, to enter into the Letter of Offer, it was resolved that the terms of the Letter of Offer be approved.

Consequently, it was resolved that any one or more person be authorised:

- to execute any Promissory Note, certificate or other document required to be executed by the College in relation to any Supplier Receivable;
- to agree any amendments to the form of any Promissory Note;
- any one or more Director be authorised on behalf of the College to execute the Letter of Offer and all certificates, notices, letters and other documents required to be executed by the College as a condition of the continued membership of the Supplier as a member of Whitehall, in each case in such manner or form as such Director may in his or her absolute discretion think fit.

It was resolved that the persons authorised to sign, countersign and issue Promissory Notes on behalf of the College or its subsidiary companies are the Chief Operating Officer and the Head of Finance.

It was further resolved that the secretary be authorised to furnish Whitehall Finance with a certified copy of this minute.

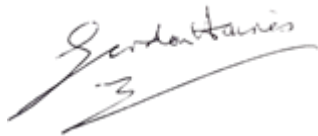
007/20 **Any Other Business**
There was no other business.

008/20 **Schedule of Meetings 2019/20**
Tuesday 24 March 2020, main Board
Tuesday 12 May 2020, Training & Development
Tuesday 14 July 2020, main Board

All meetings commence at 4pm.

At the conclusion of the Part 1 meeting, the Corporation Board moved into a meeting restricted, in accordance with the requirements of the Instrument and Articles of Government and with Section 22 of the Freedom of Information Act 2000, to the independent members of the Board and to the senior postholders.

SIGNED AS A CORRECT RECORD:

A handwritten signature in black ink, appearing to read "Gordon Harris", with a large flourish underneath.

DATE: 24 March 2020