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**CONFIRMED MINUTES OF THE CORPORATION BOARD HELD ON FRIDAY 6 DECEMBER 2019 AT 12:45 IN THE BOARD ROOM, CHURCH STREET, HARTLEPOOL**

**Present**

Mr P Smith Chair

Mrs S Fawcett Independent Member

Professor R Simmons Independent Member

Mr I Butchart Independent Member

Mr K Goldsborough Independent Member

Mr T Bailey Independent Member

Ms A Norris Independent Member

Mr I Swain Independent Member

Mrs E Hardwick Staff Member

Ms R Hare Staff Member

Ms J Havakin Staff Member

Dr M Raby Principal

**In attendance**

Mr S Slorach Vice Principal Resources

Mr P Chapman Vice Principal Employability & External

Relations

Mr J Waddington Vice Principal Student Experience

Mr P Trotter Co-opted Member

Mr J D Banks Clerk & Governance Advisor

Ms L Robson RSM (School External Auditors) – a.m. only.

Mike Wheaton Vice Principal Higher Education

**Apologies**

Professor J Rapley Independent Member

Mr S Ahmed HE Student Member

Mr R Kane Staff Member (School business at Manchester)

Mr D Hughes Independent Member

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| **19:052** | **WELCOME AND INTRODUCTIONS**  The Chair welcomed members to the meeting. | **Action** |
| **19:053** | **APOLOGIES FOR ABSENCE**  As listed above. |  |
| **19:054** | **QUORUM**  The meeting was quorate in line with standing order 8.1 “Meetings of the Corporation Board and its committees shall be quorate when 40% of the total membership of the Governing Body or its committee, excluding vacancies, is present, except where otherwise stated within the terms of reference for that committee.” |  |
| **19:055** | **DECLARATIONS OF INTEREST**  Delete Denise Ogden from the list. | Clerk |
| **19:056** | **UNCONFIRMED MINUTES OF THE PREVIOUS MEETING**  The minutes of the previous meeting held on 15 November 2019 were agreed as an accurate record subject to the noted amendments. | Clerk |
| **19:057** | **MATTERS ARISING**  The Board requested deletion of the final item in the table, regarding the Capital Programme Group’s delegated powers and that reference to the need for compliance with the Office for Students (OfS) requirements be added to the Risk Register. | Clerk  Mr Slorach |
| **19:058** | **MEMBER’S UPDATES**  The Chair referred to his meeting with Claire Moore, Financial Controller  Mrs Fawcett referred to her meeting with Mr Slorach earlier that day regarding the proposed Finance Committee. |  |
| **19:059** | **CONFIDENTIAL ITEM** |  |
| **19:060** | **MANAGEMENT ACCOUNTS TO OCTOBER 2019 (Period 03)**  Mr Slorach presented his report and drew attention to the following points, as follows;   1. within the “Detail” section, that student retention figures would be key to the School’s income stream; 2. the Middlesbrough Relocation Project will provide cashflow headroom; 3. that the appended, new, graphs were required by the ESFA but were sufficiently informative to add to his report.   The Board questioned what was acceptable in terms of rolling cashdays? Mr Slorach explained that 15 to 20 days was acceptable but that the combined FE and HE nature of School business presented some challenges in terms of receipt of funds. In January, April and July the School’s position dropped to 20 cashdays but in the following months the HE fees were received, for example, during April the level dropped to 20 cashdays while four weeks later it rose to 120 cashdays. The Principal requested that in future it would be useful to add the actual figures and show the ESFA floor value in the body of the graph.  The Board questioned the impact of providing a staff pay rise? The Principal said that a recommendation would be made in February with the possibility of a £45 – 50k impact overall, backdated to September.  The Chair asked if it were probable that the covenants would be met. Mr Slorach explained that this was most probable and even more so once there was some capitalisation of salaries.  There was discussion of the costs associated with Taught Degree Awarding Powers (TDAP) of circa £90k but that there would be savings in terms of payments made to Arts University Bournemouth should TDAP be achieved.  The Board questioned the Disability Discrimination Act compliance costs at Church Square and it was explained that this related to a lift and wheelchair shower.  The Board APPROVED the Management Accounts to October 2019 (Period 03). | Mr Slorach |
| **19:061** | **GOVERNING BODY REVIEW OF EFFECTIVENESS**  The Chair referred to discussion of this matter at the Governance & Search Committee (G&S) of 29 November and summarised that it had;   1. reviewed Committee effectiveness and determined that:    1. for Academic Board, the reduction in size was effective and G&S took comfort in that the Academic Board was considered effective by Professor Rapley (bearing in mind her extensive experience). Nonetheless, it was considered Good rather than Outstanding;    2. for Audit Committee, the matter was included on the meeting agenda for 06 December. Using the good practice checklist two areas required attention and will be addressed; reporting the annual audit plan to the Board and the IAS producing an annual report on the adequacy and effectiveness of the School’s internal control systems. It was considered Good;    3. for Remuneration Committee, a paper is required and was to be cleared under Chair’s Action in order to meet audit requirements;    4. for the Board, for the year in question comfort should be taken from external review by Mark White and considered Good.   The Board questioned how regularly this Review should be carried out? The Principal said that the CUC Code review was required at no less than four-year intervals and the School intended to do this every two years. It should be carried out early in the term of the next Chair.  The Board APPROVED the Governing Body Review of Effectiveness. | Principal / Remuneration Chair  Principal / Clerk |
| **19:062** | **ANNUAL REPORT OF THE AUDIT COMMITTEE 2018/19**  Mr Slorach set out that this report was an annual requirement and drew attention to the table of attendance which did not include attendance by the ESFA and that the School’s Internal Audit Service (IAS) always attended Audit Committee.  The Audit Committee Chair, Mr Swain, set out that the Committee had increased the attention paid to the scope and detail of audit matters with greater emphasis on School and sector risks. He referred to the high quality of performance of the IAS. The Chair set out that in his view there was increased challenge from Independent Members which was welcomed by the Principal.  The Board APPROVED the Annual Report of the Audit Committee 2018/19. |  |
| **19:063** | **RSM FINAL AUDIT FINDING & MANAGEMENT REGULARITY LETTER**  Mr Slorach set out some highlights from the RSM report, as follows;   1. RSM found no significant issues 2. Pension Contributions were not a concern; 3. “Going Concern” judgement holds nothing new; 4. Capital Projects shows some large sums in the accounts and attention is being paid to the possibility of Corporation Tax; 5. Internal Controls had shown that there was insufficient evidence of obtaining three quotations for commissioning Pay Per Click web presence and the processes had been changed.   The Board drew attention to the AoC Mental Health Charter set out at page 30 under “Emerging Issues” and the School’s efforts in this direction.  The Board APPROVED the RSM Audit Finding & Management Regularity letter. |  |
| **19:064** | **FINANCIAL STATEMENTS FOR THE YEAR ENDED JULY 2019, BANK COVENANT COMPLIANCE**  Mr Slorach presented his report and drew attention to the actuarial adjustment for the pension scheme and emphasised that in terms of the Banking Covenants that adjustment had no impact. Other points he made were as follows;   1. the loss in 2017-18 was £341k versus £323k in 2018-19; 2. there were cash repayments made to the Bank; 3. cash balances at the Bank were £452k; 4. the position met the School’s reserves policy; 5. at the breakdown of income on page 2, the positive impact of HE growth; 6. other income had dropped as a result of a changed accounting treatment.   The Board APPROVED the Financial Statements for the year ended July 2019. |  |
| **19:065** | **RISK MANAGEMENT UPDATE**  Mr Slorach explained that there was no significant change. The ISQ2 project was escalating in risk and the OfS requirements were to add to the Register.  The Chair questioned whether consideration within the Risk Register included financial and reputational risks? Mr Slorach confirmed that these matters were included.  Mr Chapman referred to the completion of the first year of the new undergraduate survey, which would be considered later, but that the response rate was 50% in comparison with that for the School’s survey at 83% response rate and that this reflects on the value of the former.  The Board NOTED the Risk Management update. |  |
| **19:066** | **CONFIDENTIAL ITEM** |  |
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| **19:068** | **(Non Independent Members, Staff and other attendees rejoined the meeting)**  **ANNUAL REMUNERATION STATEMENT 2018/19**  The Principal set out that the Statement was mainly an update with changes to take into account any statistical data changes. He explained that there were some minor typographical amendments to be made following the discussion of the Statement by the Remuneration Committee earlier in the day.  The Board APPROVED the Annual Remuneration Statement 2018/19. |  |
| **19:069** | **STATEMENT OF PRIMARY RESPONSIBILIES**  The Principal explained that the document was an updated version from the previous year. There were mostly typographical corrections.  The Board requested that the last six words of paragraph 13 should be deleted.  The Board APPROVED the Statement of Primary Responsibilities subject to the amendment requested. | Principal |
| **19:070** | **ANNUAL REPORT FROM THE GOVERNANCE & SEARCH COMMITTEE**  The Principal presented the report and explained that there were two elements that were additional to the previous year; it takes into account the report prepared by Mark White and contains a revised “gap analysis” of the Committee of University Chairs Code.  The Chair set out that the Committee had examined the report in detail including reviewing and amending the Governance & Search Annual Report.  The Board APPROVED the Annual Report from the Governance & Search Committee. |  |
| **19:071** | **ANNUAL REPORT 2018-2019**  The Principal described the Report as very similar to the previous year in format and approach with changes to take into account statistical and other variations between the years. He set out some highlights and invited comments from the Board.  The Chair asked if the Report is published externally and the Principal explained that the Public Value Statement and some other background documents were placed on the web.  The Board questioned who prepared the Report and the Principal explained that he compiled it from various contributions from members of staff.  The Board APPROVED the Annual Report. |  |
| **19:072** | **MINUTES OF SUB COMMITTEES**  Silent |  |
| **19:073** | **CONFIDENTIAL ITEMS**  Confidential Items noted. |  |
| **19:074** | **ANY OTHER COMPETENT BUSINESS**  None |  |
| **19:075** | **REVIEW OF MEETING**  The Board view was that the meeting achieved the objectives and participants had sufficient opportunity to speak. |  |
| **19:076** | **DATE AND TIME OF NEXT MEETING**  Friday 07 February 2020 at 13:00 noon in the Boardroom at Middlesbrough. |  |
|  | **Meeting closed at 15:20** |  |

Signed: …………………………………………………………………………………….

Date: ……………………………………………………………………………………………