

**Minutes of the Meeting of the Finance and General Purposes Committee
held on Monday 12 March 2018**

Present: - Mrs Lynn Forrester-Walker (Chair)
Ms Abigail Appleton (Principal)
Professor Robin Baker
Mr Mervyn Jones
Mr Scott Rolfe
Ms Kay Sandford-Beal

In attendance: - Mrs Linda Watkins (Clerk to the Governors)
Mr Tim Williams (Finance Director)

The meeting was quorate as there were six Members present.

1. Apologies for Absence

No apologies.

2. Declaration of Interests

None declared.

3.I. Minutes of the Last Meeting

The Chair signed the minutes of the last meeting held on 27 November 2017 as a true and accurate record.

3.II. Matters arising from the Minutes

These had been addressed with several to be discussed during the meeting.

The Committee agreed: -

- To approve the minutes of the last meeting

4. Accommodation Report

A confidential minute was recorded

5. Finance Report

- I. Management Accounts to 31 January 2018 and current risks were highlighted with explanations of significant changes to the forecast. Costs for use of the forge at Holme Lacy have been agreed with HLC and had not impacted on the forecast. It was understood that the SLA would remain for the 3-year duration of the course.
- II. Course costings and contributions, and Student applications 2018/19 were recorded in a confidential minute.

The Committee agreed: -

- To note the management accounts to 31 October 2017

6. Strategy Implementation

The Principal had prepared the paper in tandem with the Finance Director. It provided context and rationale to several priority investments so that the College can deliver its strategy. These are organised into foundational, developmental and marketable areas.

- I. Investment priorities for launch and phase 1 strategy implementation were presented with crude costs in the region of £1.6M. Investing in systems could create some savings and efficiencies. OfS would introduce some specific reporting requirements which will need to be managed.

Immediate spend to recruit an Outreach and Progression Manager and Digital Content Producer are crucial and had been allocated in this year's costs. Phased investment was proposed to refurbish the Foundation studio, (the College owns this building). A suggestion was made to invest in mobile digital equipment for workshops in order to integrate this into the College. The NCOP budget had underspend which could be used for some equipment, specific requirements would be discussed with JISC.

ACTION: PRINCIPAL

New course market research for 2019/20 would include the MA programme and BA (Hons) identifying distinctiveness of courses. Course Leaders would be involved in discussions. Further market research would identify if travel bursaries should be introduced for 2019/20.

In summary significant capital investment and changes to the organisational structure were proposed to achieve the overarching strategy. In discussion Governors concluded that capital investment on CRC must be deferred until the lease arrangements are finalised. One-off investments are calculated risks which are acceptable; however, staff costs are reoccurring and should be considered carefully as staff costs would increase to 72% of income. Governors would need to understand long term returns, risks on investments and timescale whilst identifying the likelihood and potential impact to increase student numbers. A proposal for immediate staff investment into posts would be emailed to the Committee for consideration.

ACTION: PRINCIPAL

The substantial shortfall in applications for 2018/19 needs to be addressed this year and during the next few years. Some expenditure proposed was not site specific and could be progressed, such as digital development and resources to access different markets.

There was an option to raise a debt for capital investment into an artist blacksmithing centre. It would be important to identify funding options along with potential returns and risks. This would not be progressed without a detailed report and the Board's approval. It was acknowledged that such a capital project would require significant oversight and management.

- II. The proposal from Finalysis, a debt advisory service, would enable the College to borrow finances which would allow capital development. A Governor asked if borrowing would be allocated to a specific project; this would need to be clarified along with the College's total borrowing capacity. Stage 1 would inform the College of its potential borrowing level and stage 2 would find a lender. Alternative options would need to be explored such as a finance lease or sponsorship. A long term 5 year business model would be presented at the next Board meeting for approval before pursuing an arrangement with Finalysis.

ACTION: FINANCE DIRECTOR

- III. A first draft 2018/19 College budget and future assumptions had been prepared with the income assumption of 100 first year HE students next year and a marginal increase based on digital marketing. The Finance Director was continuing to model the budget which would be presented at the next meeting for further discussion in order to recommend to the Board for approval in July.

ACTION: FINANCE DIRECTOR

The Committee agreed: -

- To note the proposals for future investment presented in the detailed paper which would be presented to the Board in a list format including the impact of the requested investment in terms and potential financial return where possible. In the meantime, the Committee could approve any single items of timely expenditure which had been discussed by email if necessary

ACTION: FINANCE DIRECTOR/PRINCIPAL/CLERK

- To note the proposal from Finalysis which would not be pursued until a 5 year business model had been approved
- A worst case scenario and contingency plan was required at the appropriate time

ACTION: FINANCE DIRECTOR/PRINCIPAL

- To note the first draft budget 2018/19 which remained a work in progress until approval in July

7. Pay Award

A confidential minute was recorded.

8. Health and Safety Report

Governors asked questions about the report including if senior managers conduct health and safety walk-throughs. The Principal had participated in some walk-throughs and would ensure a programme of dates is arranged.

ACTION: PRINCIPAL

It was noted that statutory inspections are up to date. Statutory visits are reported to the Committee.

Accidents and incidents were reported showing 6 incidents year to date with only one injury, which was not a RIDDOR incident.

The Committee agreed: -

- To note the report

9. Any Other Business

10. Date and Time of Next Meeting

The next meeting was arranged for Monday 25 June 2018 commencing at 5.00 pm.