



**Minutes of the Special (Recovery Plan incl. Budget) Board of Trustees Meeting
held on Wednesday 29 July 2020 at 16.00 p.m. via Google Meet**

Present

Kevin Flanagan (KF) Acting Chair
Peter Pendle (PP)
Ijeoma Omambala (IO)
Paul di Felice (PdF) Principal
Lindsay D. Cane (LC)
Alison Stoecker (AS)
Oshor Williams (OW)
Jim Mowatt (JM)

In attendance

Ashok Patel (AP) Interim Finance Director
Lana Jackman (LJ) Clerk to the Corporation

Apologies

Doug Nicholls (DN) Chair

The meeting was quorate

Item	Description	Action
1.	<p>Welcome and Apologies for absence The Chair welcomed colleagues to the meeting. A warm welcome was extended to Ashok Patel (AP).</p> <p>Apologies Apologies were received and accepted from Doug Nicholls (DN). In the absence of DN, Kevin Flanagan chaired the meeting. Following technical difficulties IO left the meeting.</p>	
2.	<p>Declarations of interest There were no declarations of interest other than those standing (<i>in accordance with the requirements of section 177 of the Companies Act 2006</i>).</p>	
3.	<p>Notification of Urgent Business The Draft Recovery Plan (DRP) was received, reviewed, and accepted by the Chair. The Clerk circulated a Paper from AP relating to the Financial & Solvency Position of the College. AP summarised the Statutory Accounts 2018-2019 which included an overview of the key high risks:</p>	

- ESFA Funding Audit and significant clawback of £1.5m
- Reduction of the ESFA Funding by approximate £800k
- The operating deficit for 2019-2020
- The ongoing intervention with the ESFA/FEC
- Deloitte's Independent Business Review
- The outstanding Co-op Bank Loan
- HE Recruitment
- Covid-19
- Issues around presenting/submitting a budget to the ESFA for the next academic year considering the difficult months ahead
- The importance of setting a permanent overdraft facility
- The future of the Catering Contract
- Over-reliance on TU Ed

AP reported on the specific financial barriers to overcome. The Board noted the advice, observations and recommendations, which included clarity about the process and implications underpinning the rationale behind the ESFA giving the College reassurances, support, and time to recover should a sound rescue strategy be devised by the Governors and SLT. AP stressed that the Governors would be best to prepare a narrative report on what was a reasonably comfortable outcome that they sought, underpinned by a strategic financial scenario as a rescue plan, capable of delivering achievable key assumptions. AP suggested that he was fairly secure that the ESFA would be more likely to look tolerantly upon such a strategy due to the number of Colleges facing insolvency presently. The ESFA in AP's opinion would not want to see another College facing the same outcome. There was financial support - **rescue money** - that could be drawn upon, especially as the College had not called upon rescue money in the past AP highlighted. It was noted that if the regulatory bodies pushed the College to a potential merger then the outstanding financial implications may invalidate any consortia taking on such a financial risk. Consequently, the priority remained with the Governors and SLT to work together to devise a strategy and sound academic quality systems to encourage funding assurances.

The most significant risk remained cashflow. It was agreed that AP would fine tune the DRP and budget with MG and the Principal by the end of the week to submit for the 31 July 2020, with the caveat that it was important to continually review and refine the DRP and budget. AP concluded that the likely outcome would be a merger, and it would be essential to, if keeping the Ruskin Brand was the priority, to present a plan to articulate the outcome that the Board hoped for, if that was to be allowed to keep the Brand, i.e. the mission alive. In response to a Trustee question AP explained that

	<p>disposal of the asset would not be a sensible solution or protect the College from what was more likely to be an inevitable SPA process. Therefore, approving a budget subject to, and in light of the current critical financial health was the sole expectation in terms of the key risks the College faced presently.</p> <p>AP did not recommend sale of assets at this time. AP advised waiting, for the IBR from Deloitte to inform any potential disposal and so too, advice from the ESFA. The Clerk mentioned guidance received from the Charity Commission relating to disposal of charity assets.</p> <p>The Board noted and endorsed the advice and recommendations articulated by AP.</p> <p>Following a discussion on the DRP and budget, making TU Ed more cost effective, and an expansive debate on insolvency (PP cited Hadlow and Kent Colleges as an example), and the loss of interest from Linacre College if the disposal of Stoke House was delayed, in addition to AS requesting feedback on whether selling Stoke House on a Leasehold basis had been considered or indeed if the wider market had been tested. The Board concluded that in terms of marketing the property Oxford University had been approached and showed interest. PP felt it was important to note that the Co-op Bank would need a guarantee by the end of October regarding the repayment of the loan or other provision or options if a sale was no longer viable failing that PP made reference to the conceivable insolvency position that the Trustees would have to face. In conclusion PP said that he would no longer mention the sale of Stoke House.</p> <p>The Chair asked for a motion to approve the draft interim budget in line with the suggestions AP articulated. OW proposed the motion and JM seconded. It was decided that the DRP and interim budget should be approved in principle subject to further work continuing to refine and to ensure that a realistic, achievable balanced budget would be provided by AP, MG, and the Principal.</p> <p>It was unanimously agreed that issues around the DRP needed to be resolved but that the budget would be approved in principle for the next academic year present conditions allowing.</p>	
<p>4.</p>	<p>Any other business</p> <p>Discussion centred around a consortium of Trade Unions to step in as a potential educational partner to the College. Recruitment to the Board was reported and discussion on recommendations of Trustees was deferred until the next</p>	

	<p>Board meeting in September. The Chair advised that it was important in terms of transparency and fairness that any nominees suggested by the Board should go through the Search Committee.</p> <p>The Clerk was tasked with uploading the meeting dates with the Annual Schedule of Business and Monitoring. All Agreed to the dates proposed below.</p>	
	Meeting Schedule for 2020/2021 Academic Year	Approved
	Meeting	Meeting Dates
	<p>Board of Governors Special (Ofsted Induction, Succession Planning and Strategy)</p> <p>Appointment of new Trustees</p> <p>Special (Accounts/Self-Assessment Regularity)</p>	<p>Friday 4 September 2020</p> <p>Friday 18 September 2020</p> <p>Friday 20 November 2020</p> <p>Friday 8 January 2021</p> <p>Friday 5 March 2021</p> <p>Friday 14 May 2021</p> <p>Friday 16 July 2021</p>
	Finance Committee	<p>Friday 6 November 2020</p> <p>Friday 22 January 2021</p> <p>Friday 19 March 2021</p> <p>Friday 11 June 2021</p>
	Audit Committee	<p>Friday 13 November 2020</p> <p>Friday 12 February 2021</p> <p>Friday 21 May 2021</p>
	Standard Quality Student Experience (SQSE)	<p>Friday 16 October 2020</p> <p>Friday 27 November 2020</p> <p>Friday 12 March 2021</p> <p>Friday 4 June 2021</p>
	Search Committee (Special)	<p>Friday 11 September 2020</p> <p>Friday 25 September 2020</p> <p>Friday 26 February 2021</p> <p>Friday 4 June 2021</p>

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SB/2020.07.29/LJ Clerk