

PROSPECTS COLLEGE OF ADVANCED TECHNOLOGY
INAUGURAL MEETING OF THE BOARD OF GOVERNORS

1 September 2014

MINUTES

Present:	David Sherlock (Chair))	
	Bala Mahendran)	
	Rachel Richards (from minute 8))	External governors
	Carole Leach (from minute 8))	
	Theo Steel)	
	Neil Bates)	Chief Executive/Principal
	Jackie Northedge)	Staff governor
	Kini Pathmanathan (present via tele-conference for minutes 1-8))	
In attendance:	Neil Warren)	Chief Operating Officer
	Ian James)	Clerk to the Board of Governors
	Glynne Stanfield)	Eversheds LLP
	Rosanna Arenare)	Eversheds LLP

OPENING REMARKS

In his capacity as Chair of the Shadow Board of Governors, David Sherlock welcomed everyone to the meeting and made introductions. The governors were content for Mr Sherlock to chair the opening items of the meeting prior to the formal appointment of the Chair in minute 9.

APOLOGIES FOR ABSENCE

1 Apologies were received from Ruth Umerah.

DECLARATION OF INTERESTS

2 Governors were advised of the requirement to declare their interest in any agenda items. Following any such declaration, governors would not be able to speak or vote on the matters under discussion. The Clerk confirmed that all governors had completed the statutory Register of Interests.

3 Neil Bates and Theo Steel declared an interest in the College's relationship with Prospects Learning Foundation (PLF) referred to in minutes 17-24 and Neil Bates and Ian James in the confirmation of their respective appointments in minute 5.

ENDORSEMENT OF DECISIONS MADE BY THE SHADOW BOARD

4 The Board received a record of the decisions made by the Shadow Board that now required adoption by the Board. Upon the confirmation of his appointment as Chief Executive & Principal, Neil Bates signed his contract of employment including an opt-out clause relating to the Local Government Pension Scheme.

5 **Resolved** that the decisions contained in the record be endorsed as follows:

- Appointment of Neil Bates as Chief Executive and Principal
- Appointment of Ian James as Clerk to the Board

- Adoption of the Instrument & Articles of Government
- Approval of College group structure involving PLF as a subsidiary (with the Principal authorised to seek the necessary approvals and to contract with Eversheds to implement the model)
- a formal review of the structure to be undertaken after two years
- Approval of logo and branding
- Adoption of the Foundation Code of Governance as the minimum standard

APPOINTMENT OF GOVERNORS

6 It was noted that the following governors had been appointed by the Secretary of State:

Bala Mahendran
 Jackie Northedge
 Kini Pathmanathan
 Bob Sadler*
 David Sherlock
 Theo Steel

* It was reported that Mr Sadler had since decided not to take up the appointment

7 Further to the discussions at meetings of the Shadow Board, the Principal had approached several individuals whose details had been circulated to the governors in advance of the meeting with a recommendation that they be appointed. The governors were satisfied that the candidates would be valuable additions to the Board. It was noted that the student governor would be appointed at a later date.

8 **Resolved** that Carole Leach, Rachel Richards and Ruth Umerah be appointed as members of the Board with immediate effect

APPOINTMENT OF CHAIR

(At this point, David Sherlock vacated the Chair and the Clerk sought nominations for the appointment of Chair of the Board. The governors felt that it was unnecessary for Mr Sherlock to leave the meeting)

9 **Resolved** that David Sherlock be appointed Chair of the Board for a term of office until 31 July 2015

APPOINTMENT OF VICE-CHAIR

10 The appointment of the Vice-Chair was deferred.

MINUTES

11 **Resolved** that the minutes of the meeting of the Shadow Board held on 7 July 2014 be approved as a correct record and signed by the Chair

INCORPORATION

12 The Board received and noted copies of the Statutory Instruments which -

- (a) Established the FE Corporation with effect from 1 September 2014

(b) Prescribed the Instrument & Articles of Government

13 The governors noted that the Corporation was an exempt charity due to its status as a further education college. It was also noted that the Principal office of the College would be at Crompton Close, Basildon, Essex SS14 3AY.

GOVERNANCE ARRANGEMENTS

14 The Board considered a number of aspects of the governance arrangements for including a report from the Clerk regarding the establishment of a committee structure together with draft Bye-laws to be made under Article 21 of the Articles of Government of the College. The Clerk distributed an addition to the Bye-laws setting out the proposed procedures for the nomination of the staff and student governors. It was noted that the terms of reference of the Group Training Associations would be added at a later date.

15 Resolved

- 1 that the total number of members of the Board shall be 15 comprising 12 external governors, one staff governor, one student governor and the Principal
- 2 that the term of office of governors shall be a maximum of four years for external governors, two years for the staff governor and one year for the student governor, all terms of office to expire on 31 July
- 3 that the following committees be established:
 - Construction and the Built Environment Group Training Association
 - Engineering Group Training Association
 - Audit Committee
 - Governance & Search Committee
 - Remuneration Committee
- 4 that the following appointments to committees be made:

Construction and the Built Environment Group Training Association

Rachel Richards (Chair)

Engineering Group Training Association

Carole Leach (Chair)

Audit Committee

Theo Steel (Chair)
Rachel Richards
Jackie Northedge

Governance & Search Committee

Bala Mahendran (Chair)
David Sherlock (ex-officio)
Neil Bates (ex-officio)

Remuneration Committee

Kini Pathmanathan (Chair)

David Sherlock (ex-officio)
Bala Mahendran

- 5 that the Bye-laws be approved, subject to the addition of the proposed nomination procedures for the staff and student governors and to the addition of terms of reference for the GTA's at a later date
- 6 that, notwithstanding that each of the committees will have vacancies for a period until further appointments are made, the committees be authorised to meet and that such meetings be regarded as valid meetings of the committees

COMMON SEAL OF THE CORPORATION

16 The common seal of the FEC was produced to the meeting. It was noted that in accordance with Clause 20 of the Instrument and Articles, application of the seal would be witnessed by either the Chair or some other governor authorised generally or specially by the Board for that purpose and any other governor.

COLLEGE STRUCTURE

17 The Board received a report requesting a range of approvals in connection with establishing the structure of the College as discussed and approved at the July meeting of the Shadow Board.

18 The governors now needed to formally approve the Corporation becoming a successor to Prospects Learning Foundation (PLF) and taking over Prospects College in South Essex. It was noted that this would be achieved by PLF becoming a wholly owned subsidiary of the Corporation and transferring to the Corporation the student contracts, goodwill, property and certain assets of PLF ('the Transfer'). It was also noted that the employees of PLF would not transfer to the Corporation and that the Corporation would procure educational services from PLF as set out in a Service Level Agreement.

19 It was noted that:

- with effect from 6pm on 1st September 2014, the student contracts of PLF will transfer to the Corporation;
- following (1) authorisation from Barclays Bank to transfer PLF's debts and legal charges to the Corporation and (2) PLF becoming grouped with the Corporation for VAT purposes, PLF's Property and certain other assets will transfer from PLF to the Corporation as set out in the Transfer Deed;
- with effect from 6pm on 1st September 2014, Neil Bates would resign as an employee of PLF and become employed by the Corporation.

20 The governors were reminded of the rationale for the Transfer and the key considerations in relation to it. In approving the Transfer, the Chair reminded the governors of their statutory duty to promote the success of the Board for the benefit of its members and their charitable duties generally.

21 It was noted that the same definitions would be used in these minutes as are used in the Transfer Deed (as identified at minute 18).

22 The governors received:

- a final draft Deed of Transfer relating to the Transfer to be entered into between (1) PLF and (2) the Corporation ("Transfer Deed");

- a final draft service level agreement to be entered into between (1) PLF (2) the Corporation (“Service Level Agreement”);
- a letter of application from the Corporation to become the sole member of PLF;
- the employment contract for the Principal

23 After due and careful consideration, and bearing in mind the governors’ statutory duty to promote the success of the Corporation and their charitable duties generally, it was

24 **Resolved** that:

1. the application to be sole member of PLF be approved;
2. both the Transfer and the tabled documents be entered into in good faith;
3. the Transfer Deed be approved and executed on behalf of the Corporation as a deed by affixing the common seal of the Corporation and that the Chair and any other member be authorised to witness the sealing and that any member be authorised to execute on behalf of the Corporation any ancillary documentation and to do all other acts or things as might be necessary to give effect to the Transfer or which might otherwise be desirable;
4. all other tabled documents be noted and approved and that the Chair and any other member be authorised to affix the common seal of the Corporation and deliver those documents requiring execution as a deed on behalf of the Corporation, and that any member be authorised to execute those documents to which the Corporation is a party not requiring execution as a deed on behalf of the Corporation;
5. the transfer of the Debts and Further Liabilities of PLF to the Corporation pursuant to the Transfer Date and the VAT grouping be approved and that suitable arrangements be made in respect of this;
6. to the extent not already done, students and suppliers of PLF be informed of the change in ownership;
7. to accept all student contracts transferred by PLF to the Corporation in accordance with the Transfer Deed;
8. the domain name of the Corporation be registered; and
9. new banking arrangements be made to reflect the new intra-group arrangements.

BUDGET FOR 2014/15 & FINANCIAL FORECAST

25 The budget for 2014/15 and the financial forecast was received for approval having been circulated to members by email well in advance of the meeting. It was noted that the accounting reference date would be 31 July in any year.

26 The governors noted that the budget presented had been prepared on the basis of a roll forward of the 2013/14 budget and that further work was required to refine the budget.

27 **Resolved** that the budget for 2014/15 and the financial forecast be approved in principle, subject to a further version being presented after the forthcoming discussions regarding the Strategic Plan at the governors’ event in October

PRINCIPAL'S REPORT

28 The Principal submitted a report updating the governors on various current issues affecting the College.

DATES OF FUTURE MEETINGS

17/18 October (residential)

10 December

25 February

6 May

15 July

Chair

Date