



Minutes of the Meeting of the Corporation

6th July 2011

Held in the Boardroom in the South Building

Present:

Mr Warwick Hall (Chair)
Councillor Kevin Maton (Vice-Chair)
Mr Colin Hefford
Ms Claire Hodge
Ms Briony Parker-Brown
Mrs Sandra Smith
Ms Kollette Super
Mr Paul Taylor (Principal)

In Attendance:

Mr David Beckett, Clerk to the Corporation
Mr Jim Edwards, Director of Estates
Mrs Christina Fowers, Vice-Principal Quality & Curriculum
Mrs Gill Manthorpe, Vice-Principal Communications,
People & Development
Mr Mark Payne, Vice-Principal Finance
Mrs Carrie Smith, Vice-Principal Commercial Development

C26/11 Chairing of Meeting

The Clerk explained that, under the Corporation's Standing Orders, the meeting was to be chaired by the Chair of the Quality & Performance Committee until the Chair of the Corporation had been appointed for the following year.

Mrs Sandra Smith duly took the Chair until that point.

C27/11 Apologies for absence were received from Mr Mohammed Adnan, Ms Debbie Davies and Mr Bob Hall.

C28/11 Appointment of Chair for the Year 1st August 2011 – 31st July 2012

The Corporation resolved to appoint Mr Warwick Hall as Chair of the Corporation for the year 1st August 2011 – 31st July 2012.

Mr Hall thereupon took the Chair.

C29/11 Appointment of Vice-Chair for the Year 1st August 2011 – 31st July 2012

The Corporation resolved to appoint Councillor Kevin Maton as Vice-Chair of the Corporation for the year 1st August 2011 – 31st July 2012.

C30/11 Disclosure of Interest

The Vice-Principal Communications, People & Development declared an interest in the item on Pay Award Update, being the lead officer on the matter.

C31/11 Membership

(a) The Corporation noted the resignations of Mr Bill Woolhead with effect from 6th June 2011 after five years' service and of Mrs Louisa Rigden with effect from 30th June 2011 after six years' service.

The Corporation gave a vote of thanks to both the retiring Governors and noted that the Chair had written to them expressing appreciation for their work.

The Clerk advised that, as Mrs Rigden had also been Chair of the Audit Committee, a replacement Chair of that Committee would need to be appointed by the Corporation in due course.

- (b) The Clerk reported that Ms Amberrose Ghatora had been nominated and elected by the Students' Union to be the second Student Governor.

The Corporation resolved to appoint Ms Ghatora as a Student Governor for the one-year term of office 6th July 2011 – 5th July 2012.

It was noted that Ms Ghatora would have wished to attend the meeting but was unable to do so on this occasion.

C32/11 Minutes

- (a) **The Minutes of the Meeting of 23rd March 2011** were confirmed as a true record and were signed by the Chair.

(b) **Matters Arising from the Minutes**

(i) **Minute C17/11 (Fees Policy)**

The Vice-Principal Finance reported that the College had submitted a case to the SFA regarding fees which disadvantaged adults but that no substantive response had been received. Nonetheless, subsequent to the discussion at the last meeting and within the context of the broader business case, it was necessary for a policy on this matter to be put in place. It was therefore proposed that the matter be delegated to the Principal for decision.

Governors discussed how such an arrangement would work and probed the likely criteria that would be involved.

The Corporation resolved to approve the proposal made.

(ii) **Minute C19/11 (Pay Negotiations 2010/11)**

The Vice-Principal Communications, People & Development informed Governors that the Pay Award for 2010/11 had been made.

C33/11 Strategic Plan 2011-2015 & Key Performance Indicators

The Principal presented a report noting that the latest draft of the Strategic Plan 2011-2015 had been considered by Governors at their Strategy Conference on 23rd June 2011. The final document was attached to the report for formal approval.

A draft Marketing Strategy was appended: this was for note with a view to further discussion as part of the next Strategy Workshop.

Also appended were the KPI summary grid which had been considered by Governors at the last meeting of the Corporation and the Faculties' contributions to cross-cutting strategic themes which had been discussed on 23rd June 2011.

Fully-indexed and bound versions of the whole document would be issued shortly.

In discussing the report, Governors probed the operation, membership and role of the Local Enterprise Partnership (LEP) and how the voice of Colleges was heard within its strategic remit.

The Chair summarised the discussion at the Strategy Conference of the Strategic Plan and stressed the need for the College to achieve its aims but with sufficient flexibility to adapt aspects of these if circumstances changed.

The Principal indicated that the Strategic Plan would continue to be discussed by Governors on an ongoing basis at both Corporation meetings and at the Strategy Workshops/Conference.

A correction to a date in the section on financial framework was noted.

The Corporation resolved:

- (a) To receive and note the content of the report.
- (b) To approve the Strategic Plan 2011-2015.

C34/11 Accommodation Strategy/Phase 3

The Director of Estates presented a report providing Governors with an update on the disposal of Charterhouse and the response to the agreed actions arising from the informal Governors meeting of 21st April 2011.

The sale tender process for Charterhouse was proceeding at a slower pace than first envisaged primarily because of delays in obtaining English Heritage guidance and in determining the appropriate media for marketing of the premises. The City Council was currently considering its position under the terms of the pre-emptive agreement and would be responding in due course.

In terms of the potential Phase 3 development, the College had met with the City Council and had put the case for the acquisition for long lease of the remaining Learning Quarter land.

During discussion, Governors examined what options would be available for the use of the potential Phase 3 land without the College necessarily committing to major investment and ascertained when other nearby buildings which might be used would become available.

The Principal reported on a recent meeting with a local community group on the Phase 3 issue. This had been positive and boded well for the future.

The Corporation resolved to receive and note the content of the report.

C35/11 Annual Review of College Charter

The Vice-Principal Quality & Curriculum presented a report informing Governors that all College managers had been invited to make recommendations for amendment to the current College Charter. The proposed amendments for the 2011/12 Charter were highlighted on an attached document.

Further changes might be required after the current staffing review had been completed and the revised College structure implemented.

The Corporation resolved:

- (a) To receive and note the content of the report.
- (b) To approve the revised College Charter for 2011/12.
- (c) To authorise the Chair to approve any further amendments that might be necessary in early September 2011.

C36/11 Student Disciplinary Procedure

The Vice-Principal Communications, People & Development presented a report noting that Governors had been briefed at previous meetings on the need to make changes to the Student Disciplinary Procedure. The report informed Governors of the changes that had been made. Attached was a flowchart which illustrated the procedure.

Governors discussed the report, probing aspects of the changes and how these would be implemented. Governors also ascertained the likely number of cases that might reach the final stage of the procedure.

A Governor who had served on disciplinary panels commented on how the changes would help the process in the future.

The Corporation resolved:

- (a) To receive and note the content of the report.
- (b) To approve the changes to the Student Disciplinary Procedure for use from 1st September 2011.

C37/11 Wolf Report & Higher Education White Paper

The Vice-Principal Quality & Curriculum gave presentations to Governors on the Wolf Report Review of Vocational Education, March 2011, and the Higher Education White Paper that had been published in June 2011.

The presentations were followed by questions and discussion by Governors of the key points, including budgetary implications.

C38/11 Management Accounts to 31st May 2011

The Vice-Principal Finance presented a report providing Governors with a summary of the financial position at the end of May 2011. A forecast of the outturn position for the year was provided showing a projected break-even position compared to a budgeted operating deficit for the year of £250,000.

A copy of the May 2011 management accounts was attached.

The Corporation resolved:

- (a) To receive and note the content of the report.
- (b) To commend the forecast outturn position compared to budget.

C39/11 Staffing Review

The Vice-Principal Communications, People & Development presented a report noting that Governors would be aware that savings against staff pay was one of the efficiencies identified in the budget. The report updated Governors with regard to the progress of the efficiency savings required.

In discussing the report, Governors probed the level of voluntary redundancy applications to date and the extent of any further such applications expected by the deadline. The Vice-Principal Communications, People & Development indicated that this time round the College might have to make compulsory redundancies.

Governors also considered the impact of loss of staff on longer-term issues relating to the student experience and quality.

The Corporation resolved to receive and note the content of the report.

C40/11 Pay Award

The Vice-Principal Communications, People & Development presented a report informing Governors that a paper had been taken to the Finance & Resources Committee asking for approval for the

Management Team to open discussions regarding the Pay Award for 2003/04 with the relevant trade union.

This unusual request had been made against the background of a non-consolidated Pay Award made to staff in 2003/04. The trade union felt that this had resulted in College pay scales being the equivalent to one increment below the nationally recommended spine. The branch would therefore consider itself to be in dispute with the College if this was not addressed by the start of the next academic year. Accordingly, management had asked for the agreement of the Committee to open talks regarding this with the trade union but only on the understanding that these discussions be based on a model of affordability.

At its meeting on 6th July 2011, the Finance & Resources Committee had agreed to the Management Team opening discussions regarding the Pay Award for 2003/04 with the relevant trade union.

The Corporation resolved:

- (a) To receive and note the content of the report.
- (b) To endorse the action of the Finance & Resources Committee.

C41/11 Financial Strategy 2011-2014 & Budget 2011/12

The Vice-Principal Finance presented a report on the budget 2011/12 and the three-year financial forecast 2011-2014 that had been considered by the Finance & Resources Committee at its meeting of 6th July 2011.

The Committee recommended approval of the budget and forecast.

The proposal was for a break-even budget for 2011/12. Financial projections for 2011-14 were based on latest estimates of key funding allocations but the various agencies had not provided any guidance on future planning assumptions. The budget and forecast were constructed such that the College returned financial results that demonstrated sound financial management, maintained robust financial indicators and was able to continue to develop its plans for a Phase 3 building.

The forecast indicated that in year three the College would make an operating deficit of £250,000 and that cash balances would have reduced by more than half. At that point the current ratio would be 1:1 (i.e. extremely tight). Whilst it would be fair to say that there was a degree of risk attached to implementing these financial proposals because of the scale of expenditure reduction, it was equally true to say that Colleges were being driven to develop financial structures that would ultimately bear little resemblance to those that they had been familiar with. In particular, the level of efficiency demanded by funding agencies for Colleges to secure contracts would become even more significant.

The Corporation resolved:

- (a) To receive and note the content of the report.
- (b) To approve the budget for 2011/12 and the forecast for 2011-2014.
- (c) To re-visit all aspects of the financial structure at the end of the first quarter of 2011/12
- (d) To appraise the position at that time taking into account completion of the efficiency review and the enrolment and income position.

C42/11 Risk Assessment Register 2011/12

The Director of Estates presented a report informing Governors that the Audit Committee had discussed the draft Risk Assessment Register for 2011/12 at its meeting of 15th June 2011 and recommended it to the Corporation for approval. The draft was attached to the report.

The Risk Assessment Register identified key risks to the organisation and assessed the level of likelihood and materiality for each risk. The current Risk Assessment Register had been reviewed and brought up to date to reflect the environment within which the College operated.

Previously, the register had included an operational action plan which was intended to address and minimise any risks. However, for 2011/12 this action plan had been removed and a more strategic approach had been taken. The register now showed the processes and forms that were in place to monitor, review and manage risks accordingly. In this way it was envisaged that risk management would be embedded across the College in all relevant activities.

During discussion, members observed that the likelihood and materiality for the top risk (failure to improve student success rates in line with the College Improvement Plan) were both shown as high. It was queried how this could be if the College's quality assurance systems were robust.

The Vice-Principal Quality & Curriculum gave information on the thinking behind this, which was based on caution. The Director of Estates drew attention to the key column which was the processes in place to manage and mitigate the risk. After further discussion during which Governors stressed the importance of managing the risk, being the most important facing the College, it was agreed that the likelihood rating should be reduced to medium and that the following year's Risk Assessment Register should reflect their discussion.

The Corporation resolved:

- (a) To receive and note the content of the report.

- (b) With the proviso resulting from their discussion, to approve the Audit Committee's recommendation that the Risk Assessment Register 2011/12 be adopted.

C43/11 Insurance Contract 2011-2014

The Director of Estates presented a report informing Governors that the College had tendered for its three-year insurance and risk management services contract by undertaking a mini-competition through the Crescent Present Consortium (CPC) insurance framework. The College was a member of the CPC and regularly ran tenders and procurement exercises through it.

Four tenders had been received from the five companies which had been invited to tender. The tenders had been assessed against several criteria and weightings, details of which were given.

Following an assessment of the tenders by the Director of Estates and the College's procurement team, it was proposed that the contract be awarded to Zurich Municipal who would not only provide a good quality service but would also introduce elements of added value and innovation. In addition, their price as set out in the report was the lowest of the tenders received.

The Corporation resolved:

- (a) To receive and note the content of the report.
- (b) To approve the award of its three-year insurance and risk management services contract to Zurich Municipal commencing on 1st August 2011.

C44/11 Recommendations of Committees

The Clerk presented a report setting out the recommendations of Committees from their meetings which had taken place since the last meeting of the Corporation other than where set out among other agenda items.

The Corporation resolved:

- (a) To note that the levels of assurance in the Internal Audit report received at the meeting of the Audit Committee on 15th June 2011 were, for College Improvement Strategy design, 'Substantial' and for operational effectiveness, 'Substantial'; for Voice of the Learner design, 'Substantial' and for operational effectiveness, 'Substantial'; and for Part-Time Lecturers design, 'Substantial' and for operational effectiveness, 'Substantial'.
- (b) To note that the final Internal Audit report for the year was also due to have been received at the meeting of the Audit Committee on 15th June 2011 but that the review had started later than planned; that the Committee had expressed concern

at this position; but that a verbal presentation given at the meeting had confirmed there were no issues of assurance in the areas covered (Vital Signs and Risk Management & Corporate Governance) and that there were no high-level recommendations.

- (c) To approve the Internal Audit Operational Plan 2011/12 as attached to the report.
- (d) To approve the fees for the Financial Statements and Regularity Audit for the Year Ended 31st July 2011 in the sum of £21,900 + VAT and £410 + VAT for each pension return; and to note that the overall audit fee had reduced from £25,000 + VAT in the previous year.
- (e) To note that a range of activities was reflected in the termly report of the Students' Union to the Quality & Performance Committee at its meeting of 25th May 2011 and that there would be continuity in the Students' Union's Executive for the next year.
- (f) That, as requested by the Quality & Performance Committee, a report on sustainability in the curriculum had been received at its meeting of 25th May 2011.

C45/11 Annual Appraisal of the Principal

The Corporation noted that the annual appraisal of the Principal had been undertaken by the Chair on 6th July 2011.

C46/11 Any Other Urgent Business

Next Governors' Strategy Workshop

The Chair proposed that, in view of the business before them, the next Governors' Strategy Workshop should take place towards the end of September 2011. In order to secure the best turnout, Governors' views on the most suitable time and date for this event were sought.

Following discussion, the Corporation resolved that the Strategy Workshop should take place from 2.00 pm to 5.00 pm on Friday 30th September 2011.

The importance of Governors' attendance at the event was stressed in view of the key matters to be considered, including how Governors were monitoring the performance of the College with the reduced number of formal meetings.

The Principal gave an update on the progress of the Strategic Options Review that had been commissioned as a result of the Governors' Strategy Workshop held on 23rd June 2011. The final report was due to be ready in time for the Strategy Workshop for Governors' consideration.

Governors felt it would be useful to have an interim briefing as items emerged on the review in order to prepare for the Strategy Workshop.

The Corporation resolved that there should be an informal meeting of Governors for this purpose at 2.00 pm on Friday 16th September 2011.

C47/11 Date of Next Meeting

The Corporation noted that its next meeting had been set for 5.00 pm on Wednesday 14th December 2011.

The Chair informed the Corporation that the Principal of the Sidney Stringer Academy (also being a Governor of the College) had invited the Corporation to meet on this occasion at the Academy.

The Corporation resolved to welcome and accept this invitation.

C48/11 Publication of Papers

The Corporation resolved that the following documents be withheld from publication:

Document 3 (Accommodation Strategy/Phase 3), for commercial reasons;

Document 7 (Staffing Review), due to the review being underway;

Document 8 (Pay Award Update), due to being under discussion with the trade unions;

Document 9 (Financial Strategy 2011-14 & Budget 2011/12), for commercial reasons;

Document 11 (Insurance Contract 1st August 2011 – 31st July 2014), for commercial reasons;

and that the other papers of the meeting be published.

Meeting Opened: 5.00pm
Meeting Closed: 7.36pm

DPB