



CORPORATION MEETING

12 December 2013

MINUTES

Present:	Carole Thorogood (Chair))	
	Tony Bates)	
	Richard Cox)	
	Mark Dunwell)	External governors
	Gill Lane)	
	Stephen Russell)	
	Mark Shaw)	
	Malcolm Cowgill		Principal
	Brendan Coulson		Staff governor (non-teaching)
	Roger Fletcher		Staff governor (teaching)
	David Jackson		Student governor
	Dylan Smith		Student governor

In attendance:	John Snow	Vice Principal Corporate Services
	Yultan Mellor	Vice Principal Curriculum
	Jason Folkett	Vice Principal Learner Services
	Debbie Duggan	Vice Principal Organisation Development
	Ian James	Clerk to the Corporation

APOLOGIES FOR ABSENCE

61 Apologies were received from Bill Colley, Larry Greenwell and Clive Rix.

DECLARATION OF INTERESTS

62 The Chair reminded governors 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.

APPOINTMENT OF STUDENT GOVERNORS

63 **Resolved** that David Jackson and Dylan Smith be appointed as governors in the student category until 31 July 2014

MINUTES

64 **Resolved** that the minutes of the meeting held on 17 October 2013 be approved as a correct record and signed by the Chair

MINUTES OF THE GOVERNANCE & SEARCH COMMITTEE

65 The Board received and noted the minutes of the Committee held on 17 October 2013.

MINUTES OF THE AUDIT COMMITTEE

66 The Committee received the minutes of a meeting of the Audit Committee held on 26 November 2013 noting that much of the business discussed by the Committee would emerge later on this agenda. The Board were pleased to note the positive outcomes of the internal audit of marketing and the SFA funding audit.

STRATEGIC DEVELOPMENTS

67 The Principal updated the Board verbally on various strategic issues commencing with the development of the 2014 curriculum. The main impetus for this work was the need to ensure quality and viability of courses with a particular focus on employment.

68 With regard to estates, the sale of the College's property in Middle Street had been completed and Whiteley Mill would follow shortly. A further review of property would be undertaken in the New Year with a view to producing efficiencies together with reductions in the overall costs of the estate. Work continued on the proposal to construct a 'hub' for the College in the City and the Principal undertook to update governors by email if there was any progress to report.

69 There was little to report on the possibility of closer working with New College Nottingham (NCN) and a further meeting with representatives of the City Council and NCN was expected in the near future.

OFSTED SUPPORT & CHALLENGE **Outcomes from 5 November review**

70 The Vice Principal Organisation Development reported on the outcome of the Ofsted review following up the College's inspection. Good progress was noted in relation to outcomes for learners whilst improvements in English and maths remained a priority. The College had been advised that more rapid progress was needed in bringing about improvements in teaching and learning with faster follow-up to re-observe underperforming teaching, the use of teaching & learning coaches and the introduction of no-notice lesson observations.

PRINCIPAL'S FIRST QUARTER REPORT

71 The Principal submitted his report on the first quarter of 2013/14 providing governors with a comprehensive picture of activity and progress in each vice principal's area of responsibility. Governors commented on the usefulness of the report which provided an effective monitoring tool.

72 The Principal drew attention to the good progress on success rates although outcomes of apprenticeships remained a cause for concern but were improving. Governors were dismayed to learn of a recent EFA announcement that funding for students who had reached the age of 18 at the start of an academic year would be reduced by 17.5%. It was estimated that this change would reduce the College's funding by around £1.2m in 2014/15.

PLANNING EVENT FEEDBACK

73 The governors had held their autumn planning event on 14 November and the Chair and Principal both commented on the usefulness of this exercise as a vehicle for discussing strategic and governance issues. As a result of discussions on the format of Board meetings, a revised style of agenda had been prepared for this meeting with items for information towards the end of the agenda intending to be taken as read. An item had

also been added at the end of the agenda to enable governors to suggest items for the next or for future meetings.

SELF ASSESSMENT REPORT FOR 2012/13

74 The Vice Principal Organisation Development introduced the College's Self Assessment report for 2012/13 and, in doing so, she thanked the six governors who had taken part in reviewing the various sections of the document. The overall assessment was that the College was moving towards a grading of 'good' but was not quite there yet. A list of sub-grades for schools was distributed and a further report on progress would be made in January.

75 **Resolved** that the Self Assessment report for 2012/13 be approved

INTERNAL AUDIT ANNUAL REPORT

76 The Board received the Internal Auditor's Annual Report summarising the work of internal audit during 2012/13 and providing a positive opinion on the three areas of governance (rated green), risk management (rated green) and internal control (rated amber/green).

FINANCIAL STATEMENTS AUDITOR'S MANAGEMENT LETTER

77 The Board received the Financial Statements Auditor's Audit Findings Report and Management Letter relating to the Financial Statements for 2012/13. The Vice Principal Corporate Services reported that the audit had not yet been finalised as there was an outstanding issue concerning the wording of a letter from the Bank to the auditors relating to Bank Covenants. It was expected that this would be resolved within the next few days and the governors asked for email confirmation when the auditor's report had been finalised.

78 At the Audit Committee meeting, the Auditor had drawn attention to a number of issues that might give governors cause for concern and, following discussion, these had been reflected in the Committee's Annual Report referred to in the next item on the agenda. The Board was also asked to approve the Letters of Representation required by the auditor.

79 **Resolved** that the Letters of Representation be approved

AUDIT COMMITTEE'S ANNUAL REPORT

80 The Board received the Audit Committee's Annual Report summarising the work of the Committee in 2012/13 and the outcomes of the various audits on which the Committee based their opinion on the state of governance, risk management and internal control in the College.

81 Matters of concern raised by the external auditor and discussed by the Committee related to –

- the underlying operating deficit of the College
- the breach of Bank covenants
- an apparent increase in staff headcount

82 The Board were advised that many Colleges were finding themselves in deficit position at the end of 2012/13 in view of the severe reductions in funding. Although technically in breach of Bank covenants at 31 July, the Bank had indicated that these

would be waived. The increased headcount could be explained by the College bringing in house a range of provision previously supplied through partnerships.

83 With due regard to these issues, the Committee's opinion was that the College does have adequate and effective governance, risk management and internal control systems in place to manage the achievement of the Colleges objectives.

ANNUAL FINANCIAL STATEMENTS 2012/13

84 The Board received the Annual Financial statements for approval noting that the underlying deficit was in line with that reported in the July management accounts although after adjustments for restructuring costs, FRS 17 (pensions liability) and write-backs, the overall position was a surplus of £3.2m.

85 **Resolved** that the Financial Statements for 2012/13 be approved

TRAINING & DEVELOPMENT POLICY

86 The Vice Principal Organisation Development introduced this Policy which was scheduled for review. No changes had been made other than a provision that newly appointed staff who required qualifications must fund these themselves. Qualifications required by staff moving from one role to another would still be funded by the College.

87 **Resolved** that the Training & Development Policy be approved

FINANCE REPORT QUARTER 1

88 The governors received the report on the financial position at the end of the first quarter of the financial year. The College was making as many savings as possible with the intention of achieving a surplus at the year end although the difficulties caused by reductions in funding were acknowledged. It was agreed that the Finance Task & Finish Group would meet in January to review the position as the half year approached.

Bad debt Write-off

89 The Board was asked for authority to write off a debt owed by a former training partner that had now gone into liquidation; the size of the write-off requiring Board approval.

90 **Resolved** that the debt owed by Palmer Training Associates be written off

Revised Bank Loan Agreements and Covenants

91 Revised Loan Agreements and Covenants had now been agreed with the Bank as discussed with the Board at a previous meeting. The minute giving approval for the revised arrangements was required by the Bank in a specific form.

92 There was produced to the meeting a letter of variation (the Letter of Variation) from Barclays Bank plc (the Bank) to the College setting out the amendments to the facility agreement dated 26 July 2012 pursuant to which the Bank has offered the Borrower (as defined in the Letter of Variation), the Facility (as defined in the Letter of Variation).

93 **Resolved**

- 1 that the amendments set out in the Letter of Variation are in the interests of and for the benefit of the College and are most likely to promote the success

of the College for the benefit of the members as a whole and that such terms and conditions of the Letter of Variation be and are approved and accepted.

- 2 that the Chair and the Principal are authorised to sign the Letter of Variation on behalf of the College to indicate acceptance of the terms and conditions.
- 3 that the Bank is authorised to act in all matters concerning the Facility as amended in the Letter of Variation upon instruction from the College, in its capacity as Borrower of the Facility, signed in accordance with the Bank's mandate for any of the accounts of the College held with the Bank current and from time to time.

DEVELOPMENT PLAN TARGETS

94 The Board received the Development Plan targets for approval. Asked why the targets for lesson observations had apparently reduced, the Vice Principal Organisation Development advised that this reflected the more challenging nature of the lesson observation regime.

95 **Resolved** that the Development Plan targets be approved

TRUST UPDATE

96 The Principal updated the Board on developments with the Academy Trust including the proposed change of name to Central Academy Trust and the introduction of revised governance arrangements.

STAFF SURVEY 2013

97 The Vice Principal Organisation Development submitted the outcome of the Staff Survey which was somewhat disappointing in that there was an apparent decline from the previous year. Nevertheless, this was not entirely unexpected in the College's current context and it was almost inevitable that the benchmarks used for comparison purposes would show a decline when updated to the current year and thus reflect the current turbulence in the FE sector as a whole. Action plans were being put in place as appropriate to address issues raised.

98 The Principal commented that there was a need for the College to consolidate and to re-emphasise the values of the organisation following the recent period of staff reductions and restructuring.

RESTRUCTURE UPDATE

99 Attention was drawn to the staffing figures set out in the Dashboard submitted with the Principal's First Quarter Report. These showed a decline in staff numbers and College management was continuing to reduce staffing levels, especially in support areas although curriculum areas where quality or margins (or both) were poor were also under review.

RISK MANAGEMENT

100 The Board received for information the Risk Management update noting that the Audit Committee had asked for the risk register to show the current direction of travel of risks to enable them to track more easily those that were increasing or reducing.

ITEMS FOR FUTURE MEETINGS

101 Governors suggested two items for future discussion and it was felt that these would best be considered at the next planning event in April:

- review of the current governance structure in terms of Board meetings, number and types of committees etc
- culture/values/ethos of the College reflecting to the Principal's remarks recorded in minute 98

DATE OF NEXT MEETING

5.30pm, 23 January 2014

Chair

Date