

***Minutes of the Corporation meeting held in the Board Room at the Derby Road site on Thursday, 19 May 2011 at 5.00 p.m.***

**BOARD MEMBERS PRESENT:**  
 Kate Allsop  
 Howard Baggaley  
 Tim Clarke  
 Nevil Croston  
 Terry Dean  
 Diana Gilhespy  
 Jean Hardy (Chair)  
 Asha Khemka  
 Philip Lancashire  
 Mike McNamara  
 David Overton  
 Nigel Quinton  
 James Stafford  
 Brian Stopford

**ALSO IN ATTENDANCE:**  
 Maxine Bagshaw, Clerk to the Corporation  
 Andrew Martin, Director of Finance and Deputy Principal  
 Tom Stevens, Executive Director Capital Projects & Estates  
 Patricia Harman, Deputy Principal Teaching & Learning  
 Tracey Thompson, Director of HR

|   | <b>ACTION<br/>by whom</b> | <b>DATE<br/>by when</b> |
|---|---------------------------|-------------------------|
| <p><b>11.50 <u>DECLARATION OF INTEREST ON ANY ITEMS ON THE AGENDA</u></b></p> <p>The Chair reminded those present to declare at the start of the meeting any interests to be held in any matters to be declared. No matters other than the standing matters were declared. The meeting was confirmed to be quorate.</p>   | Clerk                     | 19 May 2011             |
| <p><b>11.51 <u>APOLOGIES FOR ABSENCE</u></b></p> <p>Apologies were received from Nigel Cooper-Fowkes, Professor John Holford and India Murcott. It was also noted that Steve Carroll was absent from the meeting. The Chair explained that Steve Carroll, following appointment as a member of the cabinet, had tendered his resignation due to increased commitments. All members agreed that Steve Carroll had worked very hard on the College's behalf over the years and had been a valued member of the Board. The Chair requested that the Clerk write to Steve Carroll on behalf of the Board and express their gratitude for all the work undertaken during his period of office as a governor.</p> | Clerk                     | 19 May 2011             |
| <p><b>11.52 <u>MINUTES OF THE MEETING HELD ON 14 MARCH 2011</u></b></p> <p>AGREED: to approve the minutes of the meeting held 14 March 2011 as a correct record, these were signed by the Chair.</p>  | Chair                     | 19 May 2011             |

Signed : \_\_\_\_\_ Chair

Date:

|  | ACTION<br>by whom | DATE<br>by when |
|--|-------------------|-----------------|
| <p><b>11.53 <u>ACTIONS OUTSTANDING AND MATTERS ARISING FROM THE MINUTES</u></b></p> <p>The Clerk drew members` attention to the summary progress report on pages 8 and 9. It was noted that item 10 - Job Evaluation - was detailed in the Principal's report and that the final report on the review undertaken will be presented to the Board on 14 July 2011. Except for this item, the progress of actions was noted.</p>  | Director<br>of HR | 14 July<br>2011 |
| <p><b>11.54 <u>PRINCIPAL'S REPORT</u></b></p> <p>The Principal drew members` attention to her written report, where the following was noted:</p> <ul style="list-style-type: none"> <li>• Job Evaluation – the process is progressing as planned and on time. No concerns have been raised by staff, which is a credit to the HR Team and Consultants.</li> <li>• Governor Residential Strategy Event – the Principal circulated the first draft of the agenda and provided Governors with an overview of the day. She confirmed that the plan was intended to give Governors significant opportunities to make a direct input and fully participate in discussion. She confirmed that the format used had been modelled on the previous year`s event, as this had been well received and considered to be successful. She acknowledged that financial mapping is an important element of the day`s discussion, as there needs to be a clear understanding, by the Board, of the dates of critical decision points and what information will and will not be known at this time. Governors all agreed that this was an important aspect of discussions, and requested that papers be sent out in advance of the strategy day, so that they have sufficient time to read the detail and prepare before the event.</li> <li>• The Principal confirmed that the College`s IT developments are significant and should be of interest to the Board as they have an impact on many aspects of College life.</li> <li>• The Wolf recommendations have been adapted, including direct enrolment for 14-16 year olds at FE colleges.</li> </ul> <p>AGREED:           to note the content of the report.</p> | Principal         | June<br>2011    |
| <p><b>11.55 <u>PROPERTY STRATEGY UPDATE</u></b></p> <p>The Executive Director, Capital Projects and Estates introduced this item. He confirmed that the detail of the report had also been presented to the Finance &amp; Estates Committee, which met on 5 May 2011. The following was noted:</p> <ul style="list-style-type: none"> <li>• The College will receive a further £197,656 to support phase 1 of the property strategy from the Skills Funding Agency. This is in addition to the renewal grant of £225k, which has already been received. It was noted that the maximum amount that could be obtained, was £200k, therefore the College has done very well in relation to its allocation.</li> <li>• Mansfield Library closed for refurbishment on 1 September 2010, and is scheduled to reopen to the public on Tuesday 3 January 2012. The College will operate a learning centre within the library, which has been operating from Chesterfield Road during the closure period.</li> <li>• The refurbishment of the Derby Road Workshop for Music, Media and Performing Arts in the School of Creative Arts is well underway.</li> </ul>  |                   |                 |

Signed : \_\_\_\_\_Chair

Date:

- The gutted workshop is being rebuilt, internal block work is complete, together with first fix for Mechanical and Electrical Services and Carpentry. The work schedule for the re-plastering of walls is behind schedule by approximately 5 days, but the College has been advised that work will commence at weekends to enable the project to finish on time.
- Completion of the workshop refurbishment and relocation of Music, Media and Performing Arts from Thoresby Street will mean that from mid September the property will be vacant and available for sale. The Executive Director Capital Projects and Estates drew members` attention to the confidential minutes of the Finance & Estates Committee meeting, where proposals were made to put Thoresby Street up for sale and seek to obtain planning permission. Members all agreed that the proposals were sensible and endorsed the Finance & Estates Committee`s recommendations.
- Plans for the new sports hall and car parking as part of phase two of the property strategy are developing with the aim of submitting a planning application towards the end of May. The proposed hall is circa 250 square metres larger than previously envisaged at the offset. This space comprises mainly storage space and is presently incorporated in the existing budget.
- Consideration has been given to allocation of curriculum space within the proposed new building. Presently it is anticipated that the planning application will be submitted towards the end of June.

AGREED to:

- 1) Note the contents of the report.
- 2) Approve the disposal of Thoresby Street at a market related price, with or without planning permission for residential dwelling, to offset expenditure on phase 1 of the property strategy.

#### **11.56 FINANCE REPORT MARCH 2011**

The Finance Director introduced this item and drew members` attention to the following:

- The reported financial performance for the year to the end of March 2011 shows an improving result across the College Group, with the College and subsidiaries producing a positive performance in the month compared to forecast.
- Total group turnover for the eight months has now increased to £30.6million, providing a modest favourable variance of £88k against forecast. Recorded savings against pay and non-pay cost budgets, however, result in an operating surplus of £1.698million, some £262k ahead of the forecast position. In the month of March, the performance improved by £171k, as a result largely of a significant under spend against College pay costs.
- The College performance improved from the slow down in turnover reported at the end of February to make up all of the lost ground and reach a year to date position of £29.9million, which is £41k better than expected. This increase in income has been driven by increases in apprenticeships, tuition fees, full cost activity and programmes for the unemployed.
- Pay cost under spends in teaching departments, support services and administrative functions have combined in the period to deliver an under spend of £96k, and moved the year to date variance to £124k.

Signed : \_\_\_\_\_ Chair

Date:

- The increases in College income has driven an adverse non-pay variance of £249k in the month, but still retains a £61k under spend for the year to date.
- Overall the College has delivered an improvement in its trading performance and has now generated an operating surplus of £1.063million for the year to date, £226k ahead of forecast.
- Subsidiary company performance has also improved in the month of March, most notably through Safety Plus, where an increase in NVQ and full cost income has pushed the full year operating surplus ahead of expectations to £113k at the end of the period. This position is still without any income from the apprenticeship programme, although negotiations are concluding with MDC to take on the first 20 trainees through Safety Plus Construction.
- Skilldrive and BKSB once again out-performed the forecast in March, which has now pushed operating profit up to £542k for the year to date, some £24k ahead of forecast. This performance continues to support the expectation of another record year for the company and a £750k operating profit outcome.
- The College group balance sheet continues to support a position of strength, with just £900k expended on capital developments so far this year. For the remaining four months of the year, capital buildings expenditure is expected to be well over £4million. As a result, cash balances of £6.15million (last month £6.44million), provide a current ratio of 1.26:1 and net current assets of £2million.
- The next two payments due for the months of April and May equate to £696k and £701k respectively as the works valuation is expected to progress. At this point the balance sheet should weaken as predicted, with cash balances reducing accordingly. However, at the current time, the College's financial health remains within the outstanding category.

AGREED: to note the content of the report.

#### **11.57 CONTEXT FOR THE BUDGET 2011/12**

The Finance Director introduced this item and confirmed that the detail of his report had been presented to the Finance and Estates Committee on the 5 May 2011. Members' attention was drawn to the detail of these minutes. He drew the following specifically to members' attention:

- Paragraphs 9 and 10 on page 17. He explained that the Government stated position is that their investment in relation to FE education will increase, the detail of which can be found in the tables at paragraph 9 and 10. It was noted that the College's allocation has out-performed the national increases, which is a very good position. Members' attention was drawn to the significant differentials and the re-focusing on Government priorities, particularly in relation to the 11.5% decrease in adult skills and the 67.6% increase in apprenticeship investment.

The Finance Director confirmed that details of the expected and actual funding allocations have been presented to the Board previously, and that as planned, the College has been relatively prudent in its assumptions.

- Adult skills see some real significant changes in relation to the value of the pot of funding available and also the fee remission criteria. Members all agreed that the contraction of fee remission available provides a challenge and hidden danger for the College.

Signed : \_\_\_\_\_ Chair

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- HE - 2011/12 will continue with standard fees, but moving forward the College will have to make an assumption of reduced student numbers when full HE fees come on stream.
- Pay Costs – the Finance Director explained the detail of the assumptions made, he advised that the pay policy will be determined by the Board and will be presented to Governors for approval at the appropriate time.
- Non-pay costs – it was noted that the assumed £24million property plans are included within the budget.
- College Financial Objectives – the Finance Director confirmed that there are no proposed changes from those objectives agreed in 2010/11.

The Finance Director reminded members that the final budget and financial forecast for 2011/12 would be presented to the Board at the meeting on 14 July 2011.

AGREED: to note the content of the report.

#### 11.58 COLLEGE FEE POLICY 2011/12

The Director of Finance introduced his report and confirmed that the fee policy presented concentrates solely on the academic year 2011/12. He indicated that the HE fee proposals for 2012/13 and beyond would be brought back to the Board on 14 July 2011 for discussion and agreement.

By way of background, he reminded members that the Government is keen for all colleges to balance contributions made between the public purse and individuals with the aim of achieving a 50/50 split, and that whilst the College has made progress towards this over the years, there is still work to be done. He explained that, in order to ensure that the College will secure financial contributions towards the cost of learning from employers and learners, the Skills Investment Strategy published by Skills Funding Agency in December 2010 has sought to implement the strategy set out in the 2006 National Skills Strategy. This development, effectively, underlies the potential outcome that should a college or provider look to absorb fee charges, then the SFA may assume that the provider is able to deliver its programme without charging a fee and thus would seek to withdraw a further 50% of the funding allocated. He confirmed that the national policy presented is a bold threat, but that the College does not wish to run the risk of not taking the threat seriously.

Members` attention was drawn to page 25 and the current fee position. It was acknowledged that what the Government is actually prepared to fund effects and shapes College curriculum.

The Director of Finance confirmed that the College, at the moment, does not charge the 50% aimed for. Members` attention was drawn to paragraph 22 and the scale of differential increases proposed. These were noted as:

- a) where a course or programme fee is within 200% of the assumed national fee level, the current fee will be increased by 5%,
- b) where a course or programme fee is greater than 200% away from the national fee level, then the current fee will be increased by 10%, and
- c) where the current fee charged is greater than the national fee level, the current fee will be increased by 5%.

| ACTION<br>by whom  | DATE<br>by when |
|--------------------|-----------------|
| Financial Director | 14 July 2011    |
| Financial Director | 14 July 2011    |

Signed : \_\_\_\_\_Chair

Date:

It was noted that any departure from the fee policy in relation to the charging of fees below policy level will need to be supported by market evidence, and a full business case to ensure that appropriate information can support any decision processes. It is proposed that the departure from the policy in this instance must be authorised by the Deputy Principal, Teaching & Learning.

The Director of Finance confirmed that the College will increase the charge levied for full time adult programmes from £150 to £250 reflecting the move towards the national policy assumption, but setting an understanding of affordability. It was acknowledged that even this increase is some significant distance from the national fee expected.

Members` attention was drawn to paragraph 27, where the proposal is that course fees for adult apprenticeship programmes will increase from the current £200 to £500, with discretion allowed by the Director of Employer Engagement to waive or reduce this fee on a case by case basis. It was confirmed that this decision would be made on the basis of equivalent value employer non-cash contributions to the delivery of the apprenticeship programme. It was explained that non-cash contributions may include things like using training rooms, accommodation etc. It was accepted that there would be a range of different opportunities for non-cash contributions.

The Finance Director confirmed that full cost and commercially competitive course offerings will continue with a margin contribution model. This will be based on a minimum contribution of 30% margin and will be flexible for group size, delivery location, materials and staffing costs. This will allow the full cost recovery linked to specific competitive bidding for business within a structured but flexible model.

The Director of Finance explained that for the first year, what the College will be able to provide is a price list as part of the implementation of the fee policy and that this will be communicated to individuals as they start to enrol now.

Members reviewed paragraph 32 and the fee remission categories and paragraphs 33 and 34 which detail the suggested opportunities for discretion. Members were entirely happy with the fee proposals made.

AGREED:           to approve the College fee policy for the 2011/12 academic year.

**11.59   EMPLOYER RESPONSIVE PROVISION UPDATE**

The Director of Finance introduced this item and advised the Board that the contract capacity allocation makes the College the largest employer responsive provider in the UK. He confirmed the following:

- The Train to Gain programme has generated £3.4million of activity until the end of period 8 (March 2011). This continues a consistent performance with the programme putting on around £500k of income in the last three months. Using a straight line trajectory for this performance, the programme will deliver around £5.4million for the full year which is in line with the current full year forecast.
- The Work Based Learning programme, which slowed in period 7, particularly for 16-18 apprentices, has now delivered another strong month of performance, increasing income from £4.8million at the end of February to £6.2million by the end of March 2011.

Signed : \_\_\_\_\_Chair

Date:

- Specifically within the 16-18 programme, income has increased in period 8 by £1,033k to reach £4,635k and at a continued rate for the remaining four months of the year will be in reach of the £8.5million target.
- Adult apprenticeships have increased in the period by £377k to £1,527k, suggesting that a full year out turn of just over £3million will be achievable. Again this is ahead of forecast, but a little short on contract capacity offered to the college of £3.8million.

The Director of Finance summarised by saying that if the College can sustain the rate of income receipt, then it is expected that it will hit its targeted budget. He did, however, raise a note of caution that this is a challenging assumption to make.

AGREED: to note the update provided.

#### **11.60 IMPACT OF TRAINING & DEVELOPMENT**

The Director of HR introduced her detailed report and confirmed that it was an opportunity to show the Governors the work that the College has been doing, which includes an assessment of the impacts of training and development. She confirmed that the report was intended to be reflective, and that it included some very good headline achievements. The following was noted:

- Consistently low absence levels – 3.1% February 2011, compared to 3.36% in 2009/10. It was noted that absence levels are below all sectors and not just public sector.
- Reduced staff turnover – 9.6% in 2010/11 compared with 24.9% in 2005-06.
- Reduced recruitment costs – average cost of recruitment in 2010/11 is £138.78 per vacancy, a reduction of 22% when compared to 2009/10. It was believed that this directly related to the fact that WNC is an employer of choice, and is not having to chase applications in the market place.
- Increased staff retention and engagement.
- Increase in number of appropriately qualified staff.
- CPD in line with sector requirements 48.9 hours per employee in 2009/10 compared to national averages of 29.6 hours.

Members all agreed that the report presented was very comprehensive and evidenced a significant amount of work. The HR Team were commended.

AGREED: to note the content of the report.

#### **11.61 EXCEPTION REPORT – SAFEGUARDING, EQUALITY & DIVERSITY**

The Deputy Principal introduced this item and confirmed that her report covered the period from 26 March 2011 to 30 April 2011. She confirmed that in this period there had been no incidents relating to Equality and Diversity. In relation to Safeguarding, she confirmed that there was one reported incident and that this related to a physical attack by one student on another. She confirmed that there has been one disclosure under the young people and vulnerable adults protection policy during the period. The student and mother considered calling the police and the case was not referred to the children’s social care. She confirmed that there had not been any referrals to the Local Safeguarding Children’s Board during this period.

Signed : \_\_\_\_\_ Chair

Date:

Members` attention was drawn to appendix a, which provides trend analysis for the period 1 August 2010 to 25 March 2011. Members specifically noted the peaks in safeguarding related incidents in the periods 25 September to 5 November 2010 and 1 January to 25 March 2011. By way of explanation she indicated that these peaks represented a longer period of time, and particularly in September there are often settling in difficulties with students commencing their courses. She confirmed that she would continue to add to this table on a monthly basis so that trend analysis can be undertaken. She confirmed that she would now be providing monthly reports at the recommendation of the Standards Committee.

AGREED: to note the contents of the report.

**11.62 MINUTES OF THE STANDARDS COMMITTEE MEETING HELD ON 14 APRIL 2011**

AGREED: to note the contents of the minutes.

**11.63 MINUTES OF THE FINANCE & ESTATES COMMITTEE MEETING HELD ON 5 MAY 2011**

The Clerk to the Corporation reminded members that the minutes had been emailed out in advance of the meeting. One question was raised in relation to paragraph 11.33 and the reference to litigation. It was explained that the litigation does not involve the College and is in fact a claim for VAT recovery made by Wakefield College. West Notts College is setting itself in a position to take advantage of successful litigation should this be the outcome of the Wakefield College case.

AGREED: to note the content of the minutes.

**11.64 CONFIDENTIAL ITEMS**

It was agreed that the content of confidential discussions would be recorded separately.

Staff and Student Governors left the meeting at 5.50 pm.

**11.65 AOB**

There were no matters of AOB.

**11.66 DATE OF NEXT MEETING**

The Clerk to the Corporation reminded members that the next meeting is the Strategy Residential on 16 and 17 June, and thereafter the final Board meeting of the academic year is scheduled for Thursday 14 July 2011 at 5.00 pm.

Signed : \_\_\_\_\_ Chair

Date: