



**WEST NOTTINGHAMSHIRE COLLEGE
CORPORATION BOARD**

***Minutes of the Corporation Board meeting held in the Room 058, Derby Road site on Wednesday
16 January 2013 at 5.00 pm***

GOVERNORS
PRESENT: Kate Allsop
Chris Bodger
Tim Clarke
Nevil Croston
Terry Dean
Diana Gilhespy
Malcolm Hall
Adrian Harpham
John Holford
Asha Khemka
Mike McNamara
Amy Mellon
Marie Oakton
David Overton
Chris Winterton

ALSO IN ATTENDANCE: Maxine Bagshaw, Clerk to the Corporation
Andrew Martin, Deputy Principal
Patricia Harman, Deputy Principal
Tom Stevens, Executive Director: Capital Projects & Estates
Louise Knott, Director: Communications, Marketing & Learner Engagement
Graham Howe, Vice Principal Business Development
Kim Thorneywork, Chief Executive of Skills Funding Agency (until 5.40 pm)

13.55 APPOINTMENT OF THE MEETING CHAIR

In the absence of Jean Hardy, the Vice Chair Nevil Croston was appointed to act as Chair for this meeting.

AGREED: to appoint Nevil Croston as the meeting Chair.

13.56 DECLARATIONS OF INTEREST

The Chair reminded those present to declare at the start of the meeting any interests in matters to be considered. Standing declarations of interest were noted, it was agreed that none of the declarations prohibited participation in discussion.

ACTION by whom	DATE by when

Signed : _____ Chair

Date:

13.57 WELCOME AND APOLOGIES FOR ABSENCE

Apologies for absence were received from Jean Hardy, John Robinson and Colin Sawers.

13.58 PRESENTATION – THE LANDSCAPE FOR LEARNING & SKILLS – WHAT GOVERNORS SHOULD BE AWARE OF

Kim Thorneywork was welcomed to the meeting and given an opportunity to outline the education environment and landscape as she sees it at this particular point in time. She thanked the College for the opportunity to tour the buildings, all of which she thinks are fantastic, and that this, combined with the people, have really impressed her. She indicated that it had been a very positive and informative afternoon, with an enjoyable whistle-stop tour.

In making the presentation to the Board, the following was specifically commented upon:

- Colleges are currently functioning in a fairly hostile environment, particularly for FE. The spending review two years ago planned a 22% drop in adult skills investment. The sector has had to downsize significantly and has done so successfully.
- There is the feeling that this downsizing period has had some real challenges, but has now led to a sector of an appropriate size to deliver the required provision.
- Together with downsizing, there has been an expectation of increased co-funding, with learners and employers making more of a commitment to pay fees.
- The Government currently funds 3.1million adult learners. This is 555,000 adult learners more than planned in the spending review. There are a number of reasons for this, some of which are payment of fees, apprenticeship growth and shorter courses.
- Provider base is 29% private sector based companies, with the remainder mostly being colleges and local authorities. Virtually every local authority in the country has its own SFA funding.
- Lots of colleges and local authorities use sub-contracting. Ministers are pleased that there is such a vibrant mix of delivery. New models of delivery are very evident in the sector and encouraged. The Government is seeing lots of innovation in the sector and this can be demonstrated within this College too.
- Some colleges are moving towards private sector delivery. Colleges were reclassified as 'private sector' last year. What this means is that there is no public sector backstop/bail out position. This gives colleges more responsibility and does sometimes make banks nervous.
- In the autumn statement it was confirmed that there would be a 1% further cut, but some other spending has been identified which will provide a short term buffer. Indicative allocations for colleges for the next academic year were made available just before Christmas.

Signed : _____Chair

Date:

- The Government have also issued a capital statement. This shows that there is modest capital investment monies available.
- The Skills Funding statement has a number of key points, these are:
 - 1) English and Maths provision is to be paramount with increased rates of funding available, expectation is that every student will get to GCSE level in Maths and English.
 - 2) College to show an impact on the local job market.
 - 3) The new Minister is proving to be very helpful for the FE Sector, his Education and Business link is very clear.
 - 4) Strategically there is a big push by Government on Learners making investment in their own education. The move is from co-funding to a modest Government contribution. What this will do is give learners purchasing power. Loans in the sector are proving a challenge for some learners and the full impact of their introduction is not known at this time.
 - 5) Employer ownership is a real strategic agenda for the Government. Money has been identified which will go direct to employers. The expectation is that employers will be offered financial support through Tax Credits if they deliver education themselves.
Governors questioned whether the Government will still pay for 25+ apprentices. It was confirmed that at the minute, yes, if they relate to new jobs, but it is unknown how long this will remain the case.
- The Skills Strategy has a number of key items, these are:
 - 1) What an Apprenticeship will look like in the future. It will involve the need for a job, assessment and attainment of certain standards.
 - 2) Traineeships – this will focus on getting people ready for work.
 - 3) Qualifications – Government is looking at how to simplify.
 - 4) Standards – improvements need to be made in relation to quality and not just success rates.
- Localism is an important consideration for Government.
- It was acknowledged that colleges are in an incredibly competitive environment with schools and new providers.

In general discussion, following questions and answers, Governors expressed the belief that the real issue for the Mansfield and Ashfield area is jobs. It is felt that the area is not as fast growing economically as others and may, therefore, have an impact upon the success of Government initiatives where most of the success factors are determined by employment and employability. The Chief Executive of the Skills Funding Authority acknowledged that the Government does not have the desired growth rate for new jobs. She indicated that the introduction of Traineeships acknowledges that young individuals are better off learning if they are unable to find employment. She indicated that an investment rather than a reactionary approach to skills funding is essential. Although skills cannot solve everything they must just be one part of the larger growth package.

Signed : _____ Chair

Date:

Governors expressed the belief that it is a real challenge for this College to maintain its strategic position nationally, as it appears there is a real bias towards the 'cities'. The belief was expressed that there is not enough attention to the areas outside 'cities' which are massively in need of regeneration. Members indicated that it would be their recommendation that Ministers broaden their horizons away from just city solutions. It was acknowledged that, historically, cities were seen as the engines for growth, however, there is the evidence that a simple focus on cities is not working. The Chief Executive for the Skills Funding Agency acknowledged the points raised, but did indicate that skills money is at the moment not apportioned through cities and, in fact, a more national strategy is in place.

Governors all welcomed the opportunity to meet the Chief Executive and to have an opportunity for informal discussion. All agreed that the presentation and the session had been incredibly useful.

Kim Thorneywork left the meeting at 5.40 pm.

13.59 MINUTES OF THE MEETING HELD ON 6 DECEMBER 2012

AGREED: that the minutes were a true and correct record and were signed by the Meeting Chair.

Meeting
Chair

16 Jan
2013

13.60 MATTERS ARISING & ACTION PROGRESS REPORT

There were no matters arising from the minutes. Two Governors raised an issue regarding the timing of receipt of papers. The Clerk to the Corporation confirmed that she would review arrangements with the administration staff to ensure that papers were despatched at the agreed time.

The action progress report was noted.

AGREED: to note the update provided.

13.61 PRINCIPAL'S REPORT

The Principal introduced this item and drew the following to members' attention:

- 1) Association of Colleges and bksb Developments in India

The end of January 2013 will see the official launch of the AoC India project. The initiative will see, for the first time, a permanent base established for colleges in India, instigating meetings for over 30 colleges with the Indian Government and employers whilst forging links with other training providers in Delhi. This follows an extensive drive by the Indian Government to improve the skills of 500 million people by 2022. As Chair of the AoC India Ltd project, the Principal is only too well aware of the

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Date:

huge opportunities available for colleges from the UK to provide advice, guidance, training and leadership to support the ambitious object. It was noted that the Principal and the Deputy Principal would be visiting India for the official launch in the week commencing 21 January 2013. The Principal's visit will be fully funded by AoC India Ltd. The Deputy Principal's attendance will also provide an opportunity to explore the marketing of the bksb product in India and the potential for setting up a separate company in order to promote this.

2) Leadership Exchange

LSIS will cease to exist from July 2013. The FE Guild is being developed, but is in the very early stages. The development of the Leadership Exchange is progressing well, with an expectation that the Exchange will be in place and operational by September/October 2013.

3) City Deal

On 8 January 2013 the Chair, the Principal and other members of the Executive Team met with key players involved in the City Deal project. The purpose of the meeting was to show colleagues from Nottingham City the innovative work the College is doing in Mansfield and to show the investment being made in education facilities. All representatives were impressed with the College's success, its apprenticeship delivery amongst other things, and thoroughly enjoyed the food and service in Number 19. It was acknowledged that it is always hard work to encourage representatives from the City to come out to the more regional bases.

4) City Shop Opening

The College has now received planning permission to open its city centre shop promoting Vision Apprentice vacancies and training opportunities. The intention is for the College to penetrate city opportunities as there is clear evidence that city colleges have not performed as well as they could/should, particularly in relation to apprentices.

5) Equality & Diversity Festival: 17 January 2013

The College is holding an Equality and Diversity Festival with stalls, presentations and demonstrations from various groups. It will be attended by over 250 children from 8 local schools (primary and secondary) as well as College students.

6) Vision Entrepreneur

On Thursday 10 January 2013 the College welcomed Ian Livingstone, OBE, to the College. Ian is one of the world's leading pioneers of interactive entertainment and fiction and a founding father of the UK games industry. His attendance in College was particularly well received.

Signed : _____ Chair

Date:

7) Studio School Update

The College formally submitted its application to develop a Studio School at the end of December 2012. The outcome of the application should be known around May 2013.

8) Investors in People – Reaccreditation

The College is due for reassessment with the inspection process estimated to take place from the end of January and during February 2013. Governors will be updated on progress in due course.

The Principal summarised by explaining that there was a lot happening in College and the sector at the moment with all staff and students very busy. It is her belief that everyone is currently working at full capacity and whilst the College is thriving, it is doing so in very challenging circumstances. She indicated that there may be a need to review capacity issues, particularly in relation to the Senior Team with a further investment made. It is her belief that another member of the Executive Team is required and that she is pursuing this, with a job to be advertised with a specific focus on strategy and the implementation of strategy. All Governors agreed that there was a clear need in this area, and fully supported the Principal's proposal.

AGREED: to note the update provided.

13.62 PROPERTY STRATEGY UPDATE

The Executive Director: Capital Projects & Estates introduced this item and drew the following to members' attention:

- Enhanced Renewal Grant ERG 3 – the Government has allocated a total of £550million for capital development in the FE College estate in 2013/14 and 2014/15. This grant funding tops up the ERG3 funding already allocated, of which the College has secured a total of £900k (£780k for Visual Arts and £120k for Tower cladding). This additional funding was announced in December 2012. The College received an invitation to attend an ERG Capital Surgery Day from the SFA on 14 January, this was attended with the intention of exploring the potential for additional funding to support the College's projects. The meeting seems to show that the SFA are taking a different approach to allocation at this time and not simply sharing out. The focus seems to be more on immediate needs. The Executive Director: Capital Projects & Estates was left with the impression that the College should submit a detailed application to support the Engineering Centre proposals. It was acknowledged that it is a competitive process, and that at this particular point in time there is no real way of assessing the likely success. Applications to bid for funding must be submitted by 1 March 2013. Governors were all supportive of the proposal to submit an additional bid for funding.

Signed : _____Chair

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Governors were advised that external consultancy support was required to ensure that the bid submitted was as detailed and strong as possible. The estimated costs of additional support were £5k-£10k. Members all agreed that this was entirely reasonable and were happy to approve support costs for the enhanced renewal grant ERG3 funding bid at £5k - £10k.

- Engineering Innovation Centre – further to a report considered by the Corporation Board on 12 July 2012 regarding the purchase of a potential site Unit C Gateway 28 in Ashfield, the Finance & Estates Committee considered an updated report on 22 November 2012 and it can now be confirmed to the Board that planning permission for change of use of the site to non-residential training and education has been granted (subject to approval of a travel plan). Members were advised that a separate confidential report regarding this aspect of the property strategy would be considered later on the agenda.
- New build and courtyard – construction work is on target for handover to the College on 25 January 2013. Some elements, such as completion of the restaurant, will exceed this date but this should not delay handover. Furnishing rooms will commence in the week of 28 January 2013. It was acknowledged that there will still be some work to be done after this date, with a snagging list agreed. Hair & Beauty will be moving to the new building at half term.
- Cladding Six Storey Tower Block and other buildings – confidential report was considered by the Corporation on 6 December 2012 with delegated authority approved for the Principal to make appointment. It was noted that a further confidential report was provided later on the agenda.
- Sports Hall – the College has come to a commercial agreement regarding the final position for this element of the property strategy. It was confirmed that a full report will go to the Finance Committee at their meeting on 28 February 2013.

EDCP&E

28 Feb
2013

AGREED:

- a) To note the update provided
- b) Approve the submission of an application for additional enhanced renewal grant ERG3
- c) Approve additional support costs for submission of the bid estimated at between £5k and £10k

13.63 QUALITY REPORT

The Deputy Principal introduced this item and drew members` attention to the following:

- The Teaching, Learning & Assessment Observation Policy 2012/13 has been implemented with a two stage process of a no notice ungraded observation followed by a graded observation. To date, 49% of the ungraded observations have been completed. Feedback from Heads of School and Curriculum Managers who are completing the observation is of a mixed picture, which includes some very good

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practice, but also some areas for development. There is now a level of confidence that the sessions being observed are as they are on a day to day basis, rather than over prepared for one session given a long lead time for preparation. This is enabling the identification for areas of improvement and the preparation for targeted support to ensure that standards are improved and maintained at a consistently high level. Having completed a significant portion of ungraded observations, the team will now move to graded observations based upon the system required by the new Common Inspection Framework. The College is employing support externally from a consultant to validate. Governors were advised that a grade profile would be available and provided at the March meeting.

Deputy
Principal

7 March
2013

- Progress has been made against all aspects of the College Quality Improvement Plan. It was confirmed that a full and detailed report will be provided in relation to this to the Standards Committee when it meets on 17 January 2013.
- School of Learning performance is monitored by monthly reports to the Executive Team.
- The new format for curriculum reviews is in place, with review of the Lifestyle Academy being completed in December 2012. All of the reviews will be completed by end of March 2013.
- Plans are in place for the re-inspection of Hair & Beauty. The curriculum review identified areas where improvements have been made but the pace of change has not been sufficient to fully address all areas for improvement identified within the Ofsted report. Support from the Learning Consultants is in place to provide more intense targeted support to improve Teaching & Learning. A new Head of School has been in post since 3 December 2012, she has significant experience of leading and managing Hair & Beauty and is instrumental in raising standards in this area. The Hair & Beauty curriculum area will move to the new build mid academic year which is challenging. A lot of work has been done to prepare both staff and students for the move. A pre-inspection action plan is in place.
- Members` attention was drawn to page 22, it was confirmed that national averages have now been included within the success rate data as requested at the last meeting.

Members discussed the observation process in more detail and were advised that the general feeling is that the new arrangements provide a supportive observation framework.

AGREED: to note the update provided.

13.64 MANAGEMENT ACCOUNTS TO 30 NOVEMBER 2012

The Deputy Principal introduced this item and confirmed that his report provides a summary for the first four months of operation. The following was specifically noted:

- The financial performance for the College and Group has started substantially weaker than budget, with a reported deficit budget for

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Date:

the College (a loss of £494k) offset by strong performance across the subsidiary companies. This resulted in an overall Group surplus after all adjustments of £87k compared to a budgeted £381k. It is, however, particularly concerning that the College lost £113k in the month. It was explained that some of the losses will be offset by increases in the Adult Skills budget. However, the College is not going to achieve anywhere near its 16-18 apprenticeship target.

- The main reason for the slower than expected start to the year is the 16-18 apprenticeship programme, which has not delivered the volumes of activity planned. It was acknowledged that this has been a challenge for some time.
- Total Group turnover for the period of £15.462million is some £813k short of the phased budget, with under performance of £941k against budget for the 16-18 apprenticeship programme. In addition, a weak performance in the 14-18 NEET programme has also contributed to the reported result.
- Operating profits for the Group of £87k is some £290k behind budget and includes a loss for the College of £494k. There is strong profit contribution from Skilldrive (£333k) and Safety Plus (£234k).
- The College performance includes an overspend on pay costs of around £194k. This overspend is due to the spending on senior staff by agency arrangements. These add costs way in excess of those budgeted. The main areas of under spend are in Teaching and Administration areas. It was noted that the College now has two permanent Heads of Schools in place and, as a consequence, the overspend will reduce. It was also explained that the College is not seeing the same number of vacancies as seen at the same point in the prior year.
- College non-pay expenditure is under budget as would be anticipated considering the shortfall in turnover and the reliance of partner activity. An under spend of £702k includes £1,210k of under spend related specifically to franchise partners with further under spends reported within administration and other operating expenses.
- Creative Arts £51k, Business Professional & Continuing Education £7k, Engineering & Transport Skills £9k, are the only Schools showing an overall favourable variance, with significant adverse variance in Construction, Crafts & Building Services, (£68k), Hair Beauty & Complimentary Therapies (£73k) and Healthcare & Education, including Foundation Studies and Community Education (£215k). It was noted that Construction did not perform well in the prior academic year either and this is very much influenced by economic reasons. In terms of Hair, Beauty & Complementary Therapies, there is general belief that this position will be improved. In relation to Foundation Studies and Community Education, the adverse variance is mainly due to learner volumes
- The balance sheet includes borrowing associated with the new build programme with a total value of £6.9million as at the end of November 2012. This has incurred interest costs of £72k in the first four months of the year.

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- Short term solvency has improved as a result of the additional long term loan drawn down in November, exceeding expenditure on the capital programme. Cash balances for the Group as at 30 November 2012 were £9.455million and includes some £3million on medium to long term deposit in order to minimise the costs in the borrowing facility.
- The College financial health was good as at the end of November 2012.
- £900k additional allocation in relation to the adult skills budget has been agreed, the College has taken on the ashes of a failed private provider. It is believed that this £900k allocation can be earned.

In general discussion, it was acknowledged that there was a need to see the College position improve and accelerate. All acknowledged that the College subsidiary companies were performing well. bksb goes from strength to strength. The improved performance in relation to Safety Plus, whilst having a strong year to date, comes with a health warning as this provision will be integrated in to the College and a more accurate picture will therefore be available.

Governors all agreed that 16-18 performance and the financial contribution to the College Group was a concern. What appears to be the case is that Vision Apprentices is not replacing the Train to Gain funding. It was acknowledged that, without contribution from subsidiary companies, the College would not be standing on its own two feet. The Deputy Principal indicated that what the Executive Team have to do is work out what has to be done to compensate for the loss/under performance in relation to 16-18 provision. It was explained that Traineeships will be important for the 2013/14 academic year, but as they will not be in place until September. It will not help the College in relation to its 2012/13 position. It was acknowledged that the College is in a very strong position to deliver Traineeships in the future, but that there will be no windfalls in relation to this provision in the current academic year.

Members were advised that generation of commercial income remains a challenge and that the College is not performing to target in this area with issues still to address. The Deputy Principal questioned whether or not the College was over ambitious or realistic in relation to its assumptions and projections in this area.

The schools market is a huge challenge with some schools choosing to replicate vocational provision. All acknowledged that this was a nonsense really as there was clear evidence that the College can provide vocational training at a much higher level than schools. However, schools are very resistant to working in partnerships. This may change when school budgets are squeezed and they simply cannot afford to provide vocational subjects. Within the schools market there is simply too many providers at this time and some schools will find that their vocational offer is simply not economically viable. At this moment in time no one is

Signed : _____ Chair

Date:

prepared to concede the need to consolidate and without the political drive to address this, it is unlikely that changes will be seen in the short term. The schools position at the moment seems to be very much protective in terms of what they offer, irrespective of the quality of delivery and experience.

Governors all agreed that because future forecasts underpin the affordability of the capital projects, there was a need to be more realistic regarding 16-18 provision projections.

AGREED: to note the content of the Management Accounts to 30th November 2012.

13.65 EMPLOYER RESPONSIVE PROVISION UPDATE

The Vice Principal Business Development introduced this item and drew members' attention to the content of his report and particularly the RAG rated statistics at page 35. The following was specifically noted:

- 16-18 target is not going to be achieved.
- In terms of the three year business plan, the College is seeing very strong performance in terms of NVQ financials and success rates, but the apprenticeship programme is currently behind for both. Thus far, the single business unit is proving to return better performance, although slightly behind target for the amount that the College delivers itself. This currently stands at 26.2%, bearing in mind it was less than 10% in 2010/11.
- Traineeships will be an opportunity for 2013/14.
- For the first time partners are underperforming, with some partners having sanctions in place.
- NVQ performance is strong.
- Some success rates are up and other down. Members' attention was drawn to the detail on page 36, of particular concern were the figures for Health, Public Services & Care. It was explained that the poor performance statistics were entirely influenced by one particular partner.

In general discussion it was felt that the challenge at this particular time was to take advantage of the additional adult funding available in 2013. It was acknowledged that there is a longer term problem with performing well in the adult arena, as the Government's focus and additional funding is generally being provided in terms of longer term strategy for 16-18. If the College continues to rely upon increases in the adult skills budget, there will be a question regarding sustainability.

AGREED: to note the update provided.

Signed : _____ Chair

Date:

13.66 **EXCEPTION REPORT – SAFEGUARDING, EQUALITY AND DIVERSITY**

The Deputy Principal introduced this item and drew members` attention to the data at page 42. Members all agreed that the information was self-explanatory and that there were no areas of concern to be discussed at this meeting.

AGREED: to note the update provided.

13.67 **GOVERNOR VACANCIES**

The Clerk to the Corporation introduced this item and reminded the Board that it currently has two vacancies for Business Governors. She indicated that for some time now the Search Committee has been looking to indentify a suitable candidate to join the Board with finance experience. The Principal and Director of Finance have met with a number of potential candidates and, although they had good accountancy backgrounds, there was a concern that without any knowledge of the education sector they would find it difficult to understand the context of the business.

The Principal has made a direct approach to the Deputy Chief Executive & Finance Director at the University of Derby. It is pleasing to note that he has expressed a willingness to join the Board if invited. Members` attention was drawn to his biography, all agreed that his credentials were strong and that he had significant financial experience. It was confirmed that if he is invited to join the Board he will also join the Finance & Estates Committee.

Members were entirely happy to support the recommendation that Hari PUNCHIHEWA be appointed to the Board.

AGREED: to approve the appointment of Hari PUNCHIHEWA as a Business Governor from 16 January 2013 to 16 January 2017.

13.68 **MINUTES OF THE FINANCE & ESTATES COMMITTEE MEETING HELD ON 6 DECEMBER 2012**

Members reviewed the content of the minutes and were happy to note detailed discussions.

AGREED: to note the content of the minutes.

13.69 **DATE OF NEXT MEETING**

The Clerk to the Corporation confirmed that the next meeting was scheduled for 7 March 2013.

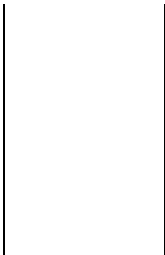
Signed : _____Chair

Date:

13.70 **CONFIDENTIAL ITEMS**

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

Meeting concluded at 7.50 pm.



Signed : _____Chair

Date: