



**WEST NOTTINGHAMSHIRE COLLEGE
CORPORATION BOARD**

Minutes of the Corporation Board meeting held in the Board Room, Derby Road site on Thursday 22nd May 2014

GOVERNORS PRESENT: Ian Baggaley
Tim Clarke
Nevil Croston (Chair)
John Holford
Dame Asha Khemka
Mike McNamara
Beverley Nita
David Overton
Hari Punchihewa
Chris Winterton

ALSO IN ATTENDANCE: Maxine Bagshaw, Clerk to the Corporation
Patricia Harman, Deputy Principal Teaching & Learning
Tom Stevens, Executive Director Capital Projects & Estates
Andrew Martin, Deputy Principal/Director of Finance
Louise Knott, Director Communications, Marketing & Learner Engagement
Graham Howe, Vice Principal Business Development
Tracey Thompson, Director of HR
Sacha McCarthy, Director Employer Engagement

	ACTION by whom	DATE by when
<p>14.56 <u>DECLARATIONS OF INTEREST</u></p> <p>The Chair reminded those present to declare at the start of the meeting any interests in matters to be considered. No interests were declared.</p>		
<p>14.57 <u>WELCOME, INTRODUCTIONS AND APOLOGIES FOR ABSENCE</u></p> <p>Apologies for absence were received from Kate Allsop, Chris Bodger, Terry Dean, Malcolm Hall, Diana Meale, John Robinson, Colin Sawers and Andrew King. Absent without apologies were Amy Kendal-Smith & Declan Searson.</p>		
<p>14.58 <u>MINUTES OF THE MEETING HELD ON 10th APRIL 2014</u></p> <p>AGREED: that the minutes were a true and correct record and were signed by the Chair.</p> <p>In terms of matters arising, a number of items were discussed:</p> <ul style="list-style-type: none"> India developments – the Principal indicated that an update in relation to this will go to the June residential meeting, as there 	Chair	22 May 2014

Signed : _____Chair

Date:

was limited progress since the April meeting. In addition to this, it was noted that Tim Clarke will be providing a presentation in relation to BKSB.

- Item 14.49 – the Chair requested that this paragraph be amended slightly to ensure that the Board’s thanks to Marie Oakton, as the Student Governor and Student Union President were properly recorded.

14.59 ACTION PROGRESS REPORT

Members noted the content of the progress table recorded. In relation to item 6, College funding for 2014/15, the Director of Finance confirmed that a full report and proposals will be provided to the July meeting.

Director of
Finance

July 2014

14.60 PRINCIPAL’S REPORT

The Principal introduced her written report and took the opportunity to update Governors on a number of matters:

- Stakeholder Event May 2014 – on Thursday 1st May the College hosted a local stakeholder event for existing partners and some new potential business contacts. 75 people attended with 20 of these individuals being new to the College. The purpose of the event was to showcase the College, and in particular its commercial facilities explaining the many components that make up the College Group. The Vice Chair of the Board hosted the event, which was a great success.
- The Future of Apprenticeships in England – Funding Technical Consultation. April saw the publication of the future of Apprenticeships in England funding technical consultation providing the funding proposals behind the previously published Richard Review implementation plan. At the current time the sector does not know the results of the consultation, although informal feedback seems to be that SME’s have indicated that they don’t have the capacity to implement directly. As a consequence of this, there seems to be a softening of approach by the Government given the practicalities involved. The Principal confirmed that if more information was available at the time, then an update would be provided at the June residential meeting. It was noted that the AoC has been working with the Skills Portfolio Group considering changes and a number of key areas of concern have been raised (these are detailed in the bullet points of the written report).
- Association of Colleges Performance and Quality Portfolio Group update – the Principal Chaired the Performance & Quality Portfolio meeting at the AoC, which was attended by 25 College Principals from around the country. The meeting focussed particularly on the changes being proposed for the common inspection framework within Schools and future challenges for Colleges.

Signed : _____Chair

Date:

- Visit by the Department of Business, Innovation & Skills 15th May 2014 – the Minister was particularly impressed with the BKS B offer and requested that a Team of Officials from the Department visit BKS B to see for themselves the impact that the software is having on individuals and organisations throughout the world and its potential for supporting the key Government priority of improving English & Maths. It was acknowledged that this was an opportunity for the College Group to influence policy decisions and support identified challenges in the sector. The visit was incredibly important in showcasing the unique tools the College has developed and how they could support the Department in the future.
- Studio School update – numbers are looking good for Year 9 and Year 10 recruitment and ten Staff are already in place. The Team attended a readiness to open meeting with the DfE, the meeting was very positive and focussed on key areas which are aligned to the OFSTED inspection framework and include;
 - a) achievement of Pupils at the School incorporating education planning and understanding some progress tracking,
 - b) quality of teaching,
 - c) behaviour and safety of pupils,
 - d) quality of leadership and management incorporating plans for Governance,
 - e) finance, and
 - f) buildings.

It was noted that while establishing the School ready for opening is well on track, there is a problem in relation to the building in that works have not yet started. The Executive Director Capital Projects indicated that the delay in the commencement of building works seems to be because everyone is 'buying time', although at this stage the building contractors still say that the 1st September opening date is achievable, however, this is an issue to monitor. Governors were reminded that the building works are based upon a 16-week programme with a start date expected at 28th April. The College had the building ready at that date and had cleared out other areas of provision, but as at today's date, building contractors have not commenced work. The reality of the situation is that at 1st September only part of the programme will be complete, however there is confidence that the Studio School can open on time. Governors expressed some concerns regarding the potential impact on Students, Parents, perceptions and reputations. Governors questioned at what point in time does the contract/timetable become untenable. The Executive Director Capital Projects & Estates explained that this would be much clearer following a joint meeting on Thursday next week.

- Awards update – the Students Union has been awarded a gold for the second year running in the Green Impact Students Union award. Secondly the Students Union was named winner as the Students Union of the year in the Further Education category. The College was named winner in the Infrastructure category at

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Date:

the Royal Institution of Chartered Surveyors (RICS) East Midlands award 2014 in recognition of its contribution to the area. Finally the College has been short listed for the SCALA Civic Building of the Year 2014. Representatives from the judging panel will be assessing the building in early June with the winner announced in the autumn.

- Visit by Baroness Morris of Yardley – on Friday 9th May the College hosted a visit by Baroness Morris of Yardley. Part of the Lord Speakers Peers in Schools programme. Baroness Morris is a former Education Secretary within the Labour Government.
- East Midlands Skill Build 2014 – Station Park once again hosted the regional heats of Skill Build 2014 at the end of April. The College has been host to the competition since 2008. This year saw 102 Students from 20 Colleges compete in a wide range of craft based challenges, including bricklaying, carpentry, joinery, plastering, painting and decorating. 8 out of the 14 Students entered by the College all achieved top 3 positions out of their respective categories, with 3 taking first place.
- VQ East Midlands Learner of the Year 2013/14 – for the third year in succession a Student from the College has been awarded VQ Learner of the Year for the East Midlands. Melissa Jackson is one of six professional cookery Apprentices employed within Refined.
- Events – Governors attention was specifically drawn to the Celebration of Achievement Awards planned for 26th June, and the Celebration of Apprentices at the House of Lords scheduled for 16th July. It was acknowledged that the 26th June 2014 is a very special event and this year as for the first time employers are sponsoring each and every award.
- Sector challenges – the Principal indicated that there is no doubt that the sector is struggling with the new funding environment, with 45 Colleges in the country in serious financial difficulties. The sector has seen huge impacts as a consequence of the funding cuts. The situation for the College is that next year the cost base will have to be reduced by approximately £1million, this is entirely as a consequence of the need to address reductions in funding.

AGREED: to note the content of the update provided.

14.61 PROPERTY STRATEGY UPDATE

The Executive Director Capital Projects & Estates introduced this item and drew a number of matters to Members attention:

- RICS Award – the College Lifestyle Academy building won the infrastructure award at the recent East Midlands Royal Institute of Building Surveyors award ceremony.
- Six-storey block – all works to tower are now complete and sails have been installed. Some supplementary uplighters will be installed following removal of the scaffolding.

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Date:

- Link Bridge – access under the bridge for cars and pedestrians has now resumed. Temporary access from Nottingham Road now closed to traffic until all scaffolding is removed.
- Three storey block – refurbishment within the kitchen is completed, however, hording in the diner will remain until all windows are installed. Cladding is under way on north and south elevations, work on this block scheduled for completion on 14th July 2014.
- Engineering Innovation Centre – project continues to progress to schedule, the relocation of Fabrication & Welding complete and teaching has commenced. Work will continue on this particularly in relation to decant and furniture fit out. Completion of phase 2 scheduled for 23rd June 2014 including work on the car parks. Meetings taken place with Curriculum Staff to arrange the decant of Motor Vehicle and Engineering to the new centre for a September 2014 start.
- Electricity and gas supply – whilst all legal documentation is signed off an installation date from Western Power Distribution is still awaited. If the power upgrade is not completed for September the site will be powered by a generator at cost to the supplier to enable the curriculum move in July.
- Studio School – as previously indicated in the Principal’s report, building work has not commenced and every day adds a greater element of concern. The expectation is to open the Studio School on the 1st September 2014, even if all building works are not complete at that stage. Lease and building contracts have now been signed and returned to the EFA. Decant of Staff from Chesterfield Road to Derby Road is complete and the building is now ready for constructor occupation.
- Visual Arts project – all Fabrication & Welding curriculum now decanted to the new Engineering Centre and internal areas of the Trades Building are ready for the construction of the mezzanine floor. Construction commenced on 28th April 2014. Completion and handover expected to be on 1st September 2014, with Student occupation expected to be 8th September 2014.

AGREED: to note the content of the report provided.

14.62 **MANAGEMENT ACCOUNTS TO 31ST MARCH 2014**

The Director of Finance introduced this item and drew a number of items to Members attention:

- The overall group result for the period up to the end of March 2014 is weaker than anticipated in the forecast due to a shortfall in activity within Vision Workforce Skills and a slowing of income levels within the Adult Skills budget within the College.
- Excluding the result of VWS, the College group (old) has generated an operating surplus before interest and depreciation of £934k for the first eight months of the year. This compares to the forecast of £1,056k and the prior year result of £307k.

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Date:

- The old group position continues to be affected by the performance of Work Place Learning within the College, which is £302k behind forecast leading to an operating surplus before interest and depreciation in the month of £49k, an adverse variance of £163k.
- Including VWS, the College group result before interest and depreciation is a loss of £2,665k, with the VWS loss of £3,598k in the eight months to date being £304k worse than the approved forecast position.
- The College has generated a surplus of £110k before interest and depreciation in the year to date , which is £152k behind forecast, and better than the prior year loss of £455k. The adverse position against forecast has been impacted particularly in the month of March which was £177k worse than forecast and £85k worse than last year due to income being £336k behind target.
- College income for the year to date is £406k behind forecast at £36,100k and £336k behind forecast for the month. The main adverse variance is now adult apprenticeships (£521k adverse for the year to date). Improvement will be needed in April if the full year forecast is to be delivered.
- 16-18 apprenticeships continue also perform poorly with an adverse variance of £281k for the year to date. College own delivery has weakened over the last few months and is now below phased forecast by £156k. The adult skills budget income is below forecast by £700k, with a £381k under performance in month. There remains a disproportionate amount of adult learner responsive activity, which had a favourable variance of £84k at £4,971k, sustaining this may have an adverse impact on future Adult Skills contract levels.
- There were favourable variances within Educational Contracts (£263k) as a result of partner activity of ESF contracts (although at a very low margin) and other income £290k.
- College pay costs for the year to date are £46k below forecast. There are favourable variances in Admin and central services and teaching support of £86k and £115k respectively. Overall teaching staff (teaching staff and sessional teaching staff) is £60k below forecast at £7,110k. Work Place learning continues to overspend on pay costs with an adverse variance of £62k, compared to an increased forecast.
- Non-pay costs are better than forecast by £215k as a result of a favourable variance on franchise provision costs of £457k. Excluding franchise costs, non-pay is £242k higher than planned, the main overspends being in other operating expenses (£148k adverse, which relates to ESF partner payments), administration and central services (£188k adverse) and Exams (£33k adverse). The most significant favourable variance is within maintenance costs.
- Most schools of learning continue to be close to phased forecast with the only exceptions being an £85k adverse variance in Lifestyle Academy and a £48k favourable variance in Care &

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Education Studies.

- Weaker financial performances are the 26.7% contribution made by Business Professional & Continuing Education and the 23.7% contribution of Lifestyle Academy. Academic, Public Services & Sport Studies continues to produce a strong contribution of 46.5 %. All other schools made contributions between 32.6 % and 36.1 %.
- Vision Workforce Skills performance has fallen short of the agreed forecast by some margin in March 2014 leading to an accumulated loss of £3,598k before depreciation. This is as a result of income levels falling short in all areas of the plan, whilst fixed costs retained to deliver remain high. In month performance was £329k worse than forecast and could have a continuing impact on the remainder of the year if action is not taken to address the position.
- Bksb continues to perform well as a result of consistent growth and strong cost control. The surplus before depreciation for the year to date at £847k is above forecast by £59k. Total Income at £1,712k is just below plan of £1,727 k.
- Vision Apprentices is showing a loss of £23k, £30k worse than forecast due to the substantially lower than planned income, consistent with the college sales performance in apprenticeships.
- Group borrowing was £17m at the end of March 2014, a drawdown of £8.5m since last financial year end. This has incurred interest costs of £385k in the first eight months of the year.
- Group short term solvency has improved from year end (by £2.092m) as a result of the financing drawn down and receipt of £1.503m of deferred capital grants more than offsetting the capital expenditure of £4.375m and group losses for the year to date.
- Cash balances excluding VWS at £14.028m are £8.805m higher than forecast, with a significant increase in month as a result of receipt of adult skills funds on profile, which have not been earned. Cash balances for the group stood at £14.785m

The Director of Finance reminded the Board that this information had been reported to the Finance Committee at its last meeting. He provided some assurance that the April position has improved substantially at College Group level. If VWS is excluded then the position is ahead of forecast.

Governors questioned whether there was any particular reason that March was such a poor performing month. The Director of Finance indicated that there was no one reason but that the Senior Team needed to look at the change of emphasis away from classroom provision (adult/employability) and more to workplace apprenticeships. The Director of Finance confirmed that the July Board meeting will have an agenda item, which includes an end of year forecast. The Director of Finance expressed the opinion that it was likely that the College would hit the mid

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Date:

year reforecast position.

AGREED: to note the content of the Management Accounts to 31st March 2014.

14.63 COLLEGE FEE POLICY 2014/15

The Director of Finance introduced this item, which had previously been presented to the Finance & Estates Committee meeting. A number of specific items were brought to Members attention:

- Paragraph 8 – the table presented indicates the amount of income that the College has received from charging fees to Learners and employers over the last seven years. It was acknowledged that the College has seen a significant increase, particularly in relation to increased fees and the introduction of the advanced learner loans.
- Fee remission categories – no significant changes are proposed with paragraph 12 breaking down the distinction between fully remitted fees and co-funded courses (contribution towards the cost of study). In addition to this the College has developed and set its own fee remission categories, which are set out in paragraph 13.
- Proposed Higher Education Policy for 2014/15 – this is set out on page 38. It was explained that this section has been introduced to provide clarity regarding fee obligations for those Students who drop out. Governors were reminded that the College has, in recent years, since a significant impact on the bad and doubtful debt levels and the clear policy proposed is expected to address this situation. Governors questioned whether the College has a clear system in place regarding the entering into a fee contract with Students and collecting instalments. The Director of Finance gave assurance that, yes, this is in place and that wherever possible the College seeks to use direct debit. It was noted that the College has a Credit Control Team specifically within the Finance Team to support this function. All Governors felt that the policy proposed was transparent in relation to what will happen if Students do not pay for fees as required.

Members, in reviewing the proposed fee policy for 2014/15 were assured that what was presented was clear and transparent, and they were happy to accept the recommendation to approve from the Finance & Estates Committee.

AGREED: to approve the College Fee Policy for 2014/15.

14.64 EXCEPTION REPORT – SAFEGUARDING AND EQUALITY & DIVERSITY

The Deputy Principal introduced this item and drew Members attention to the safeguarding reported incidents for the College and partner

Signed : _____Chair

Date:

provision. She provided assurance that all had been dealt with and to satisfactory conclusions. In relation to the equality and diversity information provided, again, she confirmed that all reported incidents have been dealt with and progressed appropriately.

AGREED: to note the update provided.

14.65 MINUTES OF THE MEETING OF THE AUDIT COMMITTEE HELD ON 3RD APRIL 2014

AGREED: to note the content of the minutes provided.

14.66 MINUTES OF THE MEETING OF THE STANDARDS COMMITTEE HELD ON 7TH APRIL 2014

AGREED: to note the content of the minutes provided.

14.67 MINUTES OF THE FINANCE & ESTATES COMMITTEE MEETING HELD ON 1ST MAY 2014

AGREED: to note the content of the minutes provided.

14.68 AOB

As a matter of additional business, the Executive Director Capital Projects & Estates took the opportunity to update Members in relation to the £500k SFA condition fund. He reminded Governors that as part of the funding obtained the heating system is to be updated/replaced. He confirmed that tenders were currently out, but that because of timings of the meetings, it would not be possible to come before the Board for final decision before the contract needs to be allocated to fit in with current timetables. The proposal was made to provide the Finance Committee with delegated authority to make a decision upon the heating system tenders and for the Principal to sign off once approved by the Finance Committee.

The Board was happy to delegate authority to the Finance Committee to approve the contractor appointment for the heating system work required.

Governors were also advised that the College is seeking to upgrade the fire alarm system and again tenders are out. It was noted that a report on this will go to the Finance Committee, although it may be that the financial limits of the contract fall within the Principals' delegated authority parameters.

AGREED: to note the update provided.

Signed : _____ Chair

Date:

14.69 **DATE OF FORTHCOMING MEETINGS**

The Clerk reminded Governors that the strategy event was scheduled for 19th and 20th of June, and then the final Board meeting of the year is 10th July 2014.

Beverley Nita left the meeting at 6.00pm.

14.70 **CONFIDENTIAL ITEMS**

It was agreed that confidential items would be recorded separately.

Signed : _____Chair

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