

**Minutes of the Full Corporation meeting held on
10 December 2009**

09.162 Membership

Ms P Beasant	Ms C Millard
Ap Mrs J H Chambers	Mr T Ndlovu
Mr J Connolly	Ap Ms D Needham
Mrs L Coombes	Ms A Neilson (Vice Chair)
Mr S Darby	Cllr D Pressley
Mr K Green	Ap Mr R Rowley
Mr R Holden	Mr J Sephton (Chair)
Mr M Lloyd	Mr J Shephard
Mr K McKoy	Mr A Stott

In attendance:

Mr M E Murphy	(Clerk to the Corporation)
Ms A J Oaks	(Deputy Clerk and College Secretary)
Mr J Neal	(Assistant Principal)
Mr G Adams	(Director of Finance & Resources)
Mr D Barnett	(Director of Quality) Up to Minute 09.166
Mr P Baylis	(Curriculum Director) Up to Minute 09.166.

09.165 Presentation of SAR

Dave Barnett, Director for Quality, was welcomed to the meeting. The whole College SAR had been produced and was tabled to Governors. The data within the report showed that there had been a significant improvement in Technology achievements since that reported at the November meeting. Following questions from Governors on the robustness of the process, Mr Barnett explained that the SAR had been externally validated by the peer review group through an effective, rigorous and robust process and demonstrated the continuing positive trend in the data. Mr Adams commented that the internal audit review of the success rate data had further confirmed the robustness of the College's systems of control.

Due to the increased focus on safeguarding and equality and diversity within the new Ofsted inspection framework, additional data had been included within the SAR to reflect this. Overall the summary of success rates indicated that the College was satisfactory or good. The Principal referred to the November development event at which it was reported that three programme areas had fallen to a Grade 4. This was not identifiable within the SAR due to the data being attributed to subject sector areas. Whilst a grade 3 was appropriate in terms of the external validation, he emphasised that internally, grade 4 provision was not acceptable and measures remained in place to address this in order to achieve improvements.

The Chair thanked Mr Barnett for a pleasing report and asked him to pass on Governors' thanks to all staff involved in the process. Thanks were also to be conveyed to the students who had designed the new style SAR.

09.164 Presentation by Curriculum Director

Mr Baylis, Curriculum Director for Public Sector and Technology presented a report to the Corporation summarising performance in the Subject Sector Areas of Health Public Services and Care, Arts Media and Publishing, Construction, planning and the built environment. In terms of the College's provision, the subject sector areas covered six programme areas.

In terms of the three key SSAs the validated 2008/9 data for the key SSAs was summarised. SSA 1 was graded a 2 and the data confirmed that overall success rates were well above the NA. SSA9, graded a strong 3, indicated significant improvements with a dramatic increase at L3. Mr Baylis was pleased to report that one of the worst performing areas in 2007/8 (Media) had made an outstanding improvement from 38% to 87% in 2008/9. Following questions from Governors on the reasons for this, Mr Baylis explained the measures that had been implemented to address the poor performance. This had clearly been successful. SSA 5 had been graded as a weak 3 at inspection, with improvements needed in WBL provision. Following restructuring at Directorate level and teaching staff within the technology school, the data had improved considerably to reach the NA in 08/09.

In SSA5 there were concerns with regard to the 19+ success rates which had fallen by 10%. Governors asked for further information on the reasons for this. Mr Baylis remarked there had been some difficulties in undertaking on-site assessments and in order to address this, the Plumbing and Electrical department had recently introduced a dedicated team of on-site assessors. This was more cost effective method, and whilst only recently introduced, improvements were already evident. He added that the team were committed and determined to make improvements to achieve the necessary improvements by 2012.

The Chair thanked Mr Baylis for this report. Mr Baylis and Mr Barnett left the meeting.

09.165 Apologies

Apologies were received from Mrs Chambers, Ms Needham and Mr Rowley.

As this was Mr Shephard's last meeting as staff Governor, the Chair thanked Mr Shephard for making a valued contribution to the work of the Corporation and the Quality & Standards Committee during the last four years.

09.166 Declarations of Interest

Cllr Pressley declared an interest (Minute 09.182) as a member of UNISON.

09.167 Unconfirmed Minutes of the Meeting held on 10 September 2009

The Minutes were agreed as a true and accurate record and were signed by the Chairman.

09.168 Notes of the Meeting held on 8 October 2009

The Notes of the meeting held on 8 October 2009 were received.

09.169 Minutes of the Meeting held on 26 November 2009

The Minutes were agreed as a true and accurate record and were signed by the Chairman.

09.170 Annual Internal Audit Report for year ending 31 July 2009

Mr Adams introduced the Report which had been considered by the Audit Committee on 1 December and was recommended for approval. The internal audit reviews had covered all areas in the Plan, totalling 32 days. Overall assurance had been provided by KPMG on the risk management and control processes, with all areas being considered good or adequate with no areas of weakness. Overall it was a very positive report

RESOLVED 09.170 To approve the Annual Internal Audit Report.

09.171 Annual Internal Audit Strategy and plan for 2008/9

The Audit Committee had recommended the Internal Audit Strategy and Plan for approval at its meeting held on 1 December 2009.

Mr Adams commented that a total of 37 days had been allocated for 2009/10 for audit reviews which would focus on the areas of greatest strategic benefit to the college. These included marketing, Business Continuity and Disaster Recovery Planning and IT. It was anticipated that the reviews would help to improve the adequacy of operational control arrangements.

Mr Adams informed Governors that the Committee had also agreed to tender for internal and external audit services for 2010/11 and year ending 31 July 2010. A timetable had been agreed for the Committee to review the tenders and receive presentations from potential providers prior to consideration being given to recommending the appointment of suitable audit providers at the March Committee meeting. Recommendations would come forward to the Full Corporation in April 2010.

RESOLVED 09.171 To approve the Annual Internal Audit Strategy for 2009/10

09.172 Annual Audited Financial Statements and External Auditors Report for year ending 31 July 2009

The Accounts confirmed a pre-tax and operating surplus for the year of £38,0000 on a turnover of £17.3m. This compared to a budgeted deficit of £207,000. The Key Issues Memorandum had been considered in detail by the Audit Committee at its meeting on 1 December 2009 and was recommended for approval.

The main issue of concern raised by the auditors was in relation to the College's net reserves, which, due to the exceptional loss created in 2008/9 as a result of writing off Retford College's acquisition and the significant increase in FRS17 provision, was greatly reduced. The auditors had advised that whilst there were no immediate concerns regarding the College's financial position, Governors were recommended to consider the impact of any significant investment decisions on the College's reserves. Discussion took place on the long term liability of the pension fund, and it was noted that whilst the recovery in the stock market could have a positive influence on the FRS17 adjustment, this could not be relied upon for next year. In response to further concerns from Governors about the pension fund, the Principal explained that the College was obliged, as a 'listed employer' to operate a Local Government Pension Scheme for all of its support staff employees who wished to join. The Government had been exploring options to try and constrain the rise in employer contributions for some time, and recent announcements had indicated that proposals were being considered to cap employer contributions by 2012.

The Letters of Representation had been considered by the Audit Committee and by the Board of North Notts CREATE prior to the Full Corporation meeting and were

recommended for approval. Governors were satisfied that management had provided sufficient assurance that all appropriate information had been provided to the external auditors. The Principal had signed the Letter of Representation for North Notts CREATE at the Board meeting held on 8 December 2009.

RESOLVED 09.172.1 **That the Financial statements and Auditors report for year ending 31 July 2009 be approved and that the Chair and Principal be authorised to sign the documents on behalf of the Corporation.**

RESOLVED 09.172.2 **To Approve the Letter of Representation and that the Chairman be authorised to sign this on behalf of the Corporation;**

J Shephard left the meeting.

09.173 **Annual Report of the Audit Committee to the Corporation**

Mr Lloyd advised Governors that the Report had been considered in detail by the Audit Committee at its meeting held on 1 December 2009. He confirmed that the report reflected the work undertaken by the Committee during the year and provided sufficient evidence that that college had adequate and effective systems of internal control and arrangements for risk management and governance processes.

RESOLVED 09.173 **That the Audit Committee's Annual Report to the Corporation be approved.**

09.174 **College Self Assessment Report**

An Executive summary had been provided to Governors prior to Mr Barnett's presentation earlier in the meeting. Key areas for improvement were noted. The Chair commented that the document provided evidence of the significant improvement in the data which was a testimony to the quality of provision. Governors expressed concern that the full SAR had not been circulated prior to the meeting to enable them sufficient time to consider its content for approval. The Principal acknowledged Governors concerns and explained that the essential data in the report was the same as that presented to Governors on 26 November 2009. However the full SAR was required to be uploaded to the LSC Gateway before the end of term and a significant amount of work had gone into ensuring the detail in the document was as accurate as possible. It was agreed that future reports would be circulated to Governors in good time or placed in the Governors shared folder on the website.

RESOLVED 09.174 **That the College Self Assessment Report be approved for submission to the LSC.**

09.175 **Higher Education Strategy**

A report had been circulated to Governors asking for approval of a strategy for HE.

In the absence of the Deputy Principal, Mr Mckoy presented the Report, explaining that Colleges had been asked to submit a strategy to HEFCE by mid January 2010 setting out current and potential future HE provision and any directly HEFCE funded provision. Initial discussions had taken place between the College and SHU to consider how the provision could be resourced within the College to develop and strengthen it further. The outcome had been positive, with proposals for moving the current HND/C programmes under a franchise arrangement with SHU which would enable the College to access improved support for staff and students.

Following questions from Governors, it was reported that the number of students accessing HE programmes had doubled over the last year and that it was important to maintain the link with SHU to enable individuals in the local community to achieve their potential through Access to HE courses at the College.

RESOLVED 09.175 To approve the HE Strategy.

09.176 Financial Regulations

Mr Adams reported that following an internal audit review earlier in the year, it had been suggested the College strengthen its procedure for dealing with any potential incidents of fraud and irregularity. As a consequence, the Fraud and Irregularity section of the Financial Regulations had been amended and a Fraud Response Plan produced. Governors were asked to consider the proposed changes and the associated Response Plan. Given the sensitivity of the Fraud Response Plan, it was confirmed that this would remain a confidential document, and would not be made freely available to staff.

Mr Adams emphasised that the proposed changes provided for a more robust process and strengthened governance arrangements. The annual review of the Financial Regulations, which was due in February had been brought forward and undertaken along with the Fraud and Irregularity review so that Governors could consider all proposed changes at this meeting. Mr Adams reported that there would be some minor proposed changes in respect of purchasing orders that would be presented to the Audit Committee in March 2010 for consideration and recommendation.

RESOLVED 09.176 To Approve the revisions to the Financial Regulations and associated Fraud and Irregularity Response Plan

09.177 Directions Finningley

The Principal had received a letter from the CEO of Directions Finningley requesting the College's resignation from the Community Interest Company (CIC) to enable them to pursue commercial activities unrelated to the further or higher education sectors. The Principal briefed Governors new to the Corporation on the background to the relationship with Directions Finningley and the College's membership of the CIC.

Further to seeking advice from the Clerk, a Company Search on the CIC's constitution would be made and a report provided to the Principal. Discussion took place with regard to the future plans of DF, who were supported by Yorkshire Forward, particularly to understand how the new strategy would meet the original aspirations agreed in 2006, which involved establishing the CIC to benefit the community. The Principal undertook to report back to Governors at the next meeting after further investigation.

RESOLVED 09.177 That the Principal provide an update to the next meeting.

09.178 Proposed partnership arrangements at M1, Junction 29A

Governors had received a report updating them on work that had been taking place with Chesterfield College to support the development of the new industrial estate off J29A, particularly in relation to employment in logistics, warehousing and distribution. The Principal emphasised that there was a low cost /low risk opportunity for the College to increase its full cost work in this area. A full business case and proposal had been circulated to Governors evaluating the potential training income and operating costs for consideration.

Governors sought clarification of the financial implications of entering into a partnership agreement with Chesterfield College that would be managed by them. Assurances were provided by the Director of Finance that the project would be managed diligently with any proceeds being split equally between the two Colleges. Due to the full cost work involved, there would be no need for the infrastructure or support that would otherwise be required from the College. Governors were further assured that all operations carried out at the centre would be subject to the same quality assurance process implemented in both organisations.

The risks associated with the project were considered in detail, particularly the impact on the reserves, which Governors had raised concerns about earlier in the meeting. Mr Adams provided comfort to Governors that the depreciation on the investment over 50 years would have negligible impact on the reserves. Further to discussion, it was

RESOLVED 09.178 **To pursue the joint acquisition with Chesterfield College, of premises at J29A at an anticipated investment of c£75,000.**

09.179 **Performance Monitoring: Quality Data**

Mr Neal introduced the Report in the absence of the Deputy Principal. The Report indicated improving trends in retention. Areas where issues had been identified were being managed. Attendance data indicated a relatively stable position for most curriculum areas. Mr Neal commented that the new electronic register system was providing more accurate up to date information and this had been confirmed to the Audit Committee following internal audit review. In respect of the lesson observation profile, 31 observations had been carried out since the report had been circulated.

The Report was noted and received.

09.180 **Financial Report for the first quarter**

The Report indicated an operating surplus of £787k at the end of the quarter. This was anticipated to reduce before the end of the year due to LSC income lines and changes in adult responsive funding. A summary was provided of other significant variances, including the FRS17 adjustment. Mr Adams advised Governors that all efforts were being made to reduce operating and utilities costs to bring the overall position back in line with the budget. The position at the end of the quarter was considered to be stable.

The Report was noted and received.

09.181 **Performance against LSC Contract**

Mr Neal summarised the position in relation to performance against the LSC funded contract for the outturn 2008/9 and FO1 learner responsive position for 2009/10. Figures were provided detailing the final outturn against each of the funding streams. 95% of funding had been achieved against the contract. In terms of the changes to the funding and eligibility rules, as explained to Governors in November, it was anticipated that whilst this may impact on the achievement of targets during the year, full funding would be secured and controls were in place to monitor the situation.

The Report was noted and received.

09.182 Principal's Report

The Principal updated Governors on strategic developments, particularly the outcome of the recent AoC Annual Conference and increasing complexity around funding streams and budgets, particularly T2G and adult responsive. Until funding announcements were clear there was very little Colleges could do but consider the implications of these factors in their strategic planning. The Principal thanked Mr Neal and his team for the effective management of the funding streams during what had been a challenging year. The anticipation of a General Election in 2010 brought further complexity to the position Colleges faced nationally which Governors debated. It was agreed that it was crucial to focus on strategic planning for 2010/2011 and resource responses to government changes positively.

A letter had been received from UNISON stating that they were in formal dispute with the College for failing to implement Job Evaluation. A copy of the letter, together with the Principal's response, was tabled for information. Governors were aware of previous discussions regarding affordability, but sought further clarification from the Principal of the implications of implementing the scheme, both in terms of resources and impact on the staffing budget. The letter from UNISON stated that other Colleges in the region had, or were in the process of, implementing JE and that if an amicable solution was not reached they would lobby the Corporation.

The Clerk had advised that in terms of the Principal's statutory responsibilities for implementing a framework for pay and conditions of service for staff set by Governors, the Unions had no right of address directly to the Corporation. Governors gave further consideration to their commitment to consider the affordability of implementing the recommended 1.5% pay award, as agreed at the meeting in October 2009. It was determined that further information on the number of Colleges in the sector, as opposed to those in the East Midlands region, who had implemented a pay award and/or Job Evaluation, would be required to enable Governors to give adequate consideration to the affordability factor in the context of recognising the present economic situation and maintaining good industrial relations. Further to considerable debate on the matter, it was:

- RESOLVED 09.182.1** **That Governors be informed of the number of Colleges that had implemented Job Evaluation, together with details of costs involved and how the process had been managed;**
- RESOLVED 09.182.2** **That Governors be informed of the number of Colleges that had implemented the AoC recommended pay award for 2009/10**
- RESOLVED 09.182.3** **That the information requested above be presented to Governors at the next Full Corporation meeting in January 2010 for consideration.**

09.183 Governors Residential Event

Further to the discussion at the last meeting regarding the costs involved in relation to the residential event, the cost of the last two residential events had been provided together with outline costs for next year's residential event at various local venues for comparison purposes. Governors noted that the cost of the last residential event compared extremely well to external events arranged through LSIS, the AoC and other training providers.

Discussion took place with regard to the benefits and purpose of the event, which was considered to be a key contributor to the quality of performance and setting

the strategic direction. Governors recognised that this was particularly pertinent given the forthcoming changes and uncertainties surrounding commissioning and funding arrangements. Governors' individual views were sought and acknowledged, particularly those of staff and student governors, who agreed the event would provide an excellent opportunity for them to make a positive contribution to the work of the Corporation. Governors also agreed that the networking opportunities of such an event were critically important in the context of working together strategically and that the outcomes would far outweigh the costs.

RESOLVED 09.183.1 **That a 24 hour residential event be arranged to be held 5/6 March 2010.**

RESOLVED 09.183.2 **That the event be held in Bassetlaw and the chosen venue represents best value for money.**

09.184 **Equality and Diversity**

The development of the HE Strategy and wider access to HE Programmes would impact positively. The leasing of premises at Junction 29A of the M1 would also have a positive impact in respect of the responsive redundancy programme.

09.185 **Governance Risk**

The concerns expressed by Governors with regard to the limited reserves had been noted, particularly in respect of further investments. It was agreed that in order to maintain an oversight of the position, the financial impact of any further investments should be considered.

Governors noted the increased risk in respect of the potential for Equal Pay claims resulting from a decision not to implement Job Evaluation.

09.186 **Confidentiality**

The Fraud and Irregularity Response Plan would not be made freely available to staff.

The report on proposals for J29A would remain confidential for commercial reasons until the lease arrangements were finalised.

09.187 **Date and time of next meeting**

Thursday 14 January 2010 at 6.15 pm.