

**Minutes of the Full Corporation meeting held on
15 April 2010**

10.21 Membership

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

In attendance:

Mr M E Murphy	(Clerk to the Corporation)
Ms A Oaks	(Deputy Clerk)
Mr J Neal	(Assistant Principal)
Ms D Digby-Taylor	(HR Director)
Ms G Saville	(Deputy Principal)
Mr M Kilraine	(Director of Employer Engagement) Up to Minute 10.23
Ms J Taylor	(Director of Employment Services) Up to Minute 10.23.

10.22 Briefing on Business Development and Employment Services

Mr Kilraine and Ms Taylor were welcomed to the meeting. Mr Kilraine presented a report highlighting activities undertaken by the Business Development Unit, which delivered full cost work in addition to funded provision. Success rates, retention and achievement were very good and this trend was predicted to continue into the next year. Issues relating to staffing and resources were summarised. Governors were pleased to hear of the innovative work being undertaken by the department to secure additional funding.

The College was on target to achieve 98% of its contract value for WBL, which continued to be a high priority, particularly in terms of achieving government targets of 1 in 5 school leavers to achieve L3 by 2015. Ms Taylor stated that the data for the Nottinghamshire region was currently 1 in 7. She added that the timeliness of achieving the qualification was an issue that the College was working on and systems were in place to improve this. Following questions from Governors regarding the timeframes for achievement, Mr Taylor explained how this was calculated so that Governors were able to understand the difficulties in estimating the position over a three year period.

Ms Taylor spoke of the changes taking place from September and the withdrawal of programme led provision, which would impact on unemployed learners undertaking apprenticeships. An analysis of the number of SMEs the College works in partnership with was provided, including the number of employees and

learners at each. Further to questions from Governors, Ms Taylor added that the College worked with employers within a 30 mile radius, which included employers in South Yorkshire and Lincolnshire. Mr Neal commented that opportunities were now available for the College to work in partnership with other organisations, particularly where they could enhance the quality of provision with more experienced staff and practical facilities. He provided some examples of such partnerships, explaining that the College acts as the Lead provider, within an agreed arrangement that included rigorous quality procedures. The Deputy Principal assured Governors that whilst this represented an element of risk, robust quality systems were in place in order to manage this.

The Chair thanked Ms Taylor and Mr Kilraine for their report. They left the meeting.

10.23 Apologies

Apologies were received from Mr Ndlovu and Ms Millard.

10.24 Declarations of Interest

Mr Lloyd declared an interest with regard to the appointment of Auditors. Audit firms invited to make presentations had included PKF where Mr Lloyd was once a partner in the organisation.

10.25 Unconfirmed Minutes of the Meeting held on 11 February 2010

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

10.26 Confidential Minutes of the meeting held on 11 February 2010

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

10.27 Matters Arising

There were no matters arising.

10.28 Principal's Report

Governors received a report from the Principal concerning matters of a strategic nature for consideration. The College's final funding allocations had been confirmed and whilst there had been a small increase in 16-18 funding, the overall reduction was significant, around £750k.

An outline budget for 2010/11 had therefore been prepared that included assumptions of further non-pay savings; this indicated a net deficit of around £950k, which was clearly unsustainable. Based on this, it had been necessary to begin formal consultations on proposals to reduce staffing, which had been put to the Unions in March. Details were provided of the process undertaken and of the number of FTE's and staff affected, which included a balance of management, teaching and support staff. The Principal advised that the reduction in staffing costs would achieve savings of around £800k.

The Principal referred to the implementation of the pay award for 2009/10, reminding Governors that the balanced budget had been agreed without

implementation of a pay award and did not assume any restructuring costs. Costs related to restructuring were expected to be in the region of £175k.

Three proposals were presented for Governors consideration, before the Principal made formal proposals to Trade Unions. Each was considered carefully in terms of the impact on the College's solvency. The first proposal outlined two options; the first was to make a pay award of 1.5% to staff on pay scale point H15 or lower as a non consolidated lump sum paid in June, with total costs of £27k. The second option was to implement the same pay award to staff on H23 or lower, with total costs of £53k.

The second proposal for consideration was to reconsider the affordability of implementing the 2010/11 pay award.

A lengthy discussion took place with regard to the proposals and how they would be received by the Unions and staff. Governors questioned whether staff were aware of the financial situation and whether there was an expectation the award would be backdated. Governors also proposed that granting additional leave be considered, which had been discussed at the previous meeting, as this might improve morale amongst staff. Suggestions were put forward for closing the College, for example at bank holidays, which would also bring about efficiency savings. Governors considered the impact of the proposals and whether there would be any potential negative effect on workload both for academic and support staff. The HR Director advised Governors on current entitlements in respect of holidays.

The Principal commented that to implement the pay award to all staff would cost in the region of £150k per year, which, in addition to restructuring costs, created a deficit which was too great to sustain. After careful consideration it was agreed to take forward the first option which was affordable and would benefit many lower paid staff. In addition, it was agreed that the implementation of the pay award should be reconsidered next year subject to affordability. The Principal undertook to put proposals forward to the Trade Unions including exploring the option of additional leave.

Resolved 10.28.1 That the proposal to implement a pay award of 1.5% for staff on pay scale H15 and lower, to be paid in June 2010, be put forward for formal consultation with the Trade Unions.

Resolved 10.28.2 That the pay award for 2009/10 be reconsidered for implementation from 1 August 2010, during 2010/11 when its affordability or otherwise could be determined.

The proposals also included the commencement of Job Evaluation in 2010/11 at a cost of c£30k. The Principal stated that this was not negotiable with UNISON. He added that relationships with UNISON had always been positive and that he wished to maintain this by responding to the agenda. The HR Director commented that she believed progressing JE would benefit the College in the long term as it would provide evidence of equitable working arrangements and reduce the likelihood of future Equal Pay claims.

Governors sought clarification of how the process would be undertaken and monitored in the future in terms of staff performance. The HR Director provided details of the current appraisal process which incorporated performance review. It was confirmed that the process would take approximately one year to progress at

a cost of around £30k. The Principal informed Governors that a member of staff in the HR Department whose post had been identified at risk had expressed an interest in taking on this role. The HR Director confirmed that the individual concerned had the necessary expertise and that this would be factored into the consultation process if Governors approved progressing JE.

Resolved 10.28.2 That the proposal to begin Job Evaluation during 2010/11 be agreed;

Resolved 10.28.3 That the cost of recruiting an individual to carry out the role be factored into the redundancy consultation process.

The restructuring proposals included reducing the number of curriculum management roles from 11 to 7 and the development of a new structure to reflect a reduction in size of areas. In respect of the Corporation's statutory responsibility, Governors were requested to give consideration to withdrawing from two areas of provision, Plastering and Travel & Tourism. The Deputy Principal advised Governors that both areas had limited numbers of students and the quality of provision had been poor. A paper was tabled highlighting quality data from the two areas to assist Governors in making an informed decision. The Deputy Principal emphasised that none of the existing students would be affected by the withdrawal of the provision as they were not continuing into a second year of study. Discussion took place to consider the matter and it was proposed to proceed with the proposal, subject to exploring further options including the potential for transferring provision to neighbouring colleges. The Deputy Principal undertook to progress this and inform Governors of the outcome.

Resolved 10.28.4 To endorse the proposal to withdraw from the delivery of Travel and Tourism and Plastering curriculum activity, subject to the outcome of the ongoing consultations.

The HR Director left the meeting.

10.28.6

Further to approval by Governors at the December meeting to pursue the joint acquisition with Chesterfield College of premises at J29A of the M1 at an agreed shared cost, confirmation of the capital and revenue costs had been received and the College's net investment was confirmed at £80,000.

10.29 Outcome of the Development Event

The Principal provided an overview of the event, specifically for those Governors who had been unable to participate. Governors had subsequently been circulated with the handouts from the event. The event had focused on specific issues for consideration and included the educational character and mission, Adult provision and funding and the financial strategy. KPMG had been invited to make a presentation on changes in the sector, and this had provoked some interesting and challenging debate amongst Governors. Governors also participated in a Safeguarding training session in relation to their strategic role and responsibilities for this area.

The outcome of the event highlighted the need to create more opportunity for Governors to engage in strategic discussion. With this in mind the Chairman proposed that future Corporation Agendas be structured to facilitate such strategic debate. Governors recognised that this was important and it was agreed that discussing good news such as that presented in the earlier reports on

employer engagement provided a healthy balance to more serious issues and that Governors' skills and expertise were essential to constructive and open debate. It was proposed Governors put forward any topics for discussion via the Clerk for future meetings and that Agendas would be structured accordingly. Reporting by exception would take place with regard to the regular reports on quality, HR, compliance and financial monitoring throughout the year.

Resolved 10.29 That future Full Corporation Agendas be structured to allow for strategic debate on specific topics throughout the year.

10.30 Minutes of the Audit Committee meeting held on 23 March 2010

Mr Lloyd, Chair of Audit, summarised the Minutes and made reference to recommendations on the appointment of external and internal auditors. The Committee had received the outcome of the presentations made to a panel of Governors and staff on 10 March 2010, at which each tendering party had been scored on a weighted points system. The Committee were assured that the process had been robust, transparent and fair, all parties being scored against their presentation, fees structure and response to set questions.

The Committee had agreed to recommend Grant Thornton UK LLP as external audit providers for a term of three years, commencing with year ending 31 July 2010. RSM Tenon were recommended for appointment as internal audit providers on a three year contract with a break clause after one year. Following questions from Governors, Mr Lloyd commented that RSM Tenon came highly recommended, and that they currently had in excess of 50% of the FE College internal audit market. Their fees were very competitive and it was agreed that appointing a new firm of internal auditors would bring a fresh approach and new ideas to the internal audit process.

Resolved 10.30.1 To appoint Grant Thornton UKLLP as external audit providers for a term of three years commencing year ending 31 July 2010, with the option to extend this for a further two years.

Resolved 10.30.2 To appoint RSM Tenon as internal audit providers for three years, commencing 1 August 2010, with the year break clause in favour of the College after the first year.

10.31 Fees Policy

The Board received the Fees Policy which was presented to highlight technical changes in relation to the new funding bodies, the Skills Funding Agency and Young Peoples Learning Agency. Mr Neal stated that there were no other material changes to the terms of the Policy.

Resolved 10.31 To approve the amended Fees Policy.

10.32 Performance Monitoring – Students

The Deputy Principal introduced the report which indicated improving trends in retention and stable results in attendance. Lesson observation data indicated 75% were now good or better and this result put the college on target for 2012. 14 re-observations had been undertaken for those observed at grade 3, of which

1 was a grade 1, 11 were grade 2, 1 grade 3 and 1 grade 4. Following a question from the Chairman on the notable improvement, the Deputy Principal remarked that staff found the process challenging but had responded well to the incentives and support provided under the new scheme.

The Report was received.

10.33 Any Other Business

The Clerk reported that Ms Katharine Body, staff Governor, had resigned as a member of staff and was therefore no longer a member of the Governing Body. An election process would commence at the end of May/beginning of June following the completion of the restructuring process.

10.34 Equality and Diversity

10.35 Governance Risk

Governors acknowledged that the forecast deficit for 2009/10 was likely to result in the College's technical insolvency when reported in the end of year financial statements, but noted there were no concerns with regard to short term liquidity due to healthy cash balances.

10.36 Confidentiality

It was agreed that matters reported under 10.28.5 should remain confidential due to commercial sensitivity. A separate minute was taken of this item.

It was agreed that the paper presented to Governors at Item 11 relating to the Appointment of Auditors should remain confidential in respect of fees for a minimum period of one year.

10.37 Date and time of next meeting

Thursday 13 May 2010 at 6.15pm.

Signed _____ Chairman

Date _____