

**Minutes of the Full Corporation meeting held on
9 July 2009**

09.95 Membership

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

In attendance:

Mr M E Murphy (Clerk to the Corporation)
Ms A J Oaks (Deputy Clerk and College Secretary)
Ms G Saville (Deputy Principal)
Mr J Neal (Assistant Principal)
Mr G Adams (Director of Finance & Resources)
Ms D Digby-Taylor (HR Director)

09.96 Apologies

Apologies were received from Mr Darby and Ms Needham.

09.97 Declarations of Interest

Ms Neilson declared an interest in Item 09.100 with regard to the appointment of Vice Chair. Mr Murphy declared an interest in Item 09.102 in respect of the Due Diligence report produced by Ilett & Clark Solicitors, and in Item 09.103 in respect of the budget for Clerking services.

09.98 Minutes of the Full Corporation meeting held on 11 June 2009

The Minutes were agreed as a true and accurate record subject to an amendment to include Mr Stott's attendance at the meeting. The Minutes were signed by the Chair.

09.99 Matters Arising

There were no matters arising.

09.100 Appointment of Vice Chair

Ms Neilson withdrew from the meeting. The Clerk explained that in accordance with the Standing Orders of the Corporation, a secret ballot would be held to elect the Vice Chair. Governors had been informed at the previous meeting that Ms Neilson was willing to stand as Vice Chair for a further term if no other expressions of interest were received. Mr Murphy confirmed that no further expressions of interest had been received.

The ballot was held and Mr Murphy declared that Ms Neilson was unanimously elected as Vice Chair for a term of one year from 11 September 2009.

Ms Neilson rejoined the meeting.

09.101 Appointment of Mr Tabani Ndlovu

The Search Committee had recommended the appointment of Mr Ndlovu at its meeting on 11 June 2009. The Chair, Principal and Clerk had met Mr Ndlovu on two occasions and found him to be a strong candidate for membership. The Chair commented that Mr Ndlovu's background would strengthen the balance of expertise on the Corporation, particularly his experience in the field of Corporate and Social Responsibility. It was agreed that Mr Ndlovu's CV would be circulated to all Governors for information.

RESOLVED 09.101 That Mr Tabani Ndlovu be appointed as a member of the Corporation for an initial term of office of one year and

RESOLVED 09.102 That Mr Ndlovu be appointed as a Director of North Notts CREATE Ltd.

09.102 Due Diligence Report – Acquisition of Retford College Franchise

Mr Murphy's declaration of interest was noted.

The report sought approval from Governors for the acquisition of Retford College franchise at a sum of £250,000. The Principal explained that whilst the legal and financial due diligence reports were not fully completed, the College remained on target to complete the acquisition before 31 July 2009. Progress reports from KPMG and Ilett and Clark Solicitors, which had been circulated to Governors, indicated that there were no material issues to prevent the acquisition proceeding, and on this basis detailed contracts were being negotiated.

The Principal advised that in order to resolve the issues regarding the existing, a new three year lease with a one year break clause had been agreed which would provide both security and flexibility. Further details were provided regarding the current lease.

Governors were informed that an additional contribution in the order of £50,000 each year should be made as a result of the acquisition but that it

was possible employment costs may rise over time due to harmonisation of terms and conditions. The Principal stated that staff at Retford College were looking forward to working together with the main College and that the news had been received positively by staff at College. Further details were provided of the curriculum and business case, which would secure provision in Retford and address the quality issues identified during inspection which Governors had recognised. It was anticipated that the acquisition would have a beneficial impact on the Retford provision and help the programme area achieve its target of becoming Outstanding by 2012.

Following a question, Mr Murphy assured Governors that legal risks related to the acquisition were fully covered by the legal due diligence report. The Principal advised Governors that there may be VAT issues to be resolved as neither Company was VAT registered, however KPMG were currently advising on this. Further discussion took place in relation to staffing costs and application of TUPE in terms of the College's obligations.

Governors sought clarification of potential expenditure for maintenance of the premises and were given assurances by the Principal that arrangements had been made for a full survey to be undertaken. Based on the outcome of the survey, it was proposed to evaluate options at the end of the first year. Further discussion took place in relation to staffing costs and savings that would be made by the acquisition. KPMG's report indicated that based on the franchise's current levels of activity, the additional contribution to the College would result in the initial outlay being repaid in just over four years.

RESOLVED 09.102 That the acquisition of Retford College franchise be approved on the terms agreed, subject to satisfactory resolution of the remaining issues, and subject to any further material issues being raised in the final due diligence reports.

09.103 Budget for Clerking Services

The Clerk withdrew from the meeting.

The Chair introduced the report, confirming that following consideration of the current year budget at the last meeting, supplementary information had been provided as requested, in addition to a proposed budget for 2009/10. The Director of Finance & Resources reported that Ilett & Clark Solicitors had agreed to reduce the proposed hourly rate for clerking services by 5% for 2009/10.

Governors noted the detailed information provided and were content to approve the proposed budget for 2009/2010 based on the agreed hourly rate.

Mr Murphy rejoined the meeting.

09.104 Budget for 2009/10 and Three year financial forecast

Mr Adams introduced the report which indicated a break-even budget for the year after £470,000 labour savings and £200,000 overhead savings. The final T2G funding allocation for 2009/10 was reported to be over 70% less than for 2008/9 and numerous discussions had taken place between the College and the LSC to understand the reasons for this. The Principal advised Governors that he had written to the Regional Director at the LSC requesting a formal explanation of the reasons. Mr Adams emphasised that contestability continued with funding only being secured when and if learners were enrolled and achieved. T2G income had been significantly reduced and there was an ever-increasing uncertainty with regard to future allocations, thus presenting an increased element of risk.

Mr Adams referred to the summary of movements since the previous meeting and showed the restructuring costs against reductions in T2G and WBL. The planned savings in staffing costs and overheads resulted in a break even position.

The HR Director reported that labour savings had been made through the restructuring process. A paper was circulated highlighting the current situation with regard to posts at risk. Initially 15.4 posts had been identified as being at risk, affecting 50 staff. With consultation ongoing, the report indicated that eight members of staff had successfully applied for Voluntary Severance. The HR Director provided an update of the position, reporting that as of today 17 staff remained at risk. The consultation process was due to end on 15 July and notices of redundancy would be issued on 16 July 2009 to those staff who had not been successful in securing alternative employment. She emphasised that the process had been handled extremely sensitively and staff had been fully supported throughout.

In accordance with the Redundancy Policy, staff being made redundant would have the right to Appeal within 10 days and Governors were reminded of their responsibility to hear any such appeal. It was proposed appeal hearings would take place week commencing 10 August 2009.

The Principal thanked the HR Director and members of SMT for ensuring the restructuring process was conducted with sensitivity to minimise anxiety for those staff affected. He added that he had welcomed the approach taken by many teams to make savings, commenting by way of example that the staff in the Finance department had agreed reduced hours to achieve the targeted reduction in staffing costs.

Conscious of the impact on staff, Governors were keen to ensure the level of non pay savings made from the restructuring process was as required. The Director of Finance & Resources confirmed that this could be easily identified by department and that he would bring a report back to Governors during the year to demonstrate the savings being made.

Mr Shephard commented that the restructuring process had had a negative impact on staff morale, an issue which he had raised previously with Governors when it was suggested the Principal consider undertaking a staff survey. The Principal confirmed that he had agreed to consider this. Mr Shephard sought to clarify the level of cash reserves currently held, as he believed this to be fairly substantial and could be used to reduce budget cuts. The Director of Finance went into detail to explain the importance of maintaining sufficient cash reserves with which to cover short and long term liabilities, which included the external bank loan and other creditors. The Principal reiterated this, stating that the

Corporation was obliged to generate a surplus year on year and to plan for the long term to ensure sustainability.

Following a question from Mr Stott regarding the impact of the recession and downturn in provision, the Principal advised that a small number of the surplus posts at risk would probably have been supported before the notification of reduced T2G funding. The Principal referred again to the funding allocation, and that he had made clear his disappointment in the funding allocation to both the local and regional LSC Offices. Mr Neal commented that the local LSC had been extremely supportive of the College and had lobbied the region on its behalf, without success.

Returning to the report, the Director of Finance referred members to the three year financial forecast and the key assumptions which formed the basis of the Plan. It was assumed that there would be an increase in 16-18 and adult participation and success rates, together with efficiency savings that could be made, inflation, pay award and the anticipation that T2G would moving back to more stable levels by 2011-12. With regard to planned repairs and maintenance, no increase over 2009/10 levels had been assumed, and at this stage no new build projects were included.

Further discussion took place with regard to assumptions, and Governors fully recognised the difficulties presented to the College in the current economical climate and with so much uncertainty surrounding future funding. The Director of Finance confirmed that the Plan would be monitored during the year to ascertain the likelihood of achieving the key assumptions. He added that in terms of the College's financial health over the three years of the Plan, under Framework for Excellence, the College remained as outstanding.

Governors were satisfied that they had received sufficient information to enable them to approve the Budget for 2008/9 and the Three Year Financial Plan. As discussed, a more detailed summary of the forecast would be placed in the Governors shared drive for information, before the submission deadline of 31 July 2009.

RESOLVED 09.104.1 To approve the Budget for 2008/9

RESOLVED 09.104.2 To approve the Three Year Financial Plan for 2009/2012.

The HR Director and the Director of Finance & Resources left the meeting.

09.105 Performance Monitoring – Student data

The Deputy Principal presented her monthly report highlighting performance for retention, attendance and lesson observations. Retention at level 1 for June had dropped to 86%; the Deputy Principal commented that there was evidence several students were leaving very near to completion to enter employment and the withdrawals would impact quite significantly on the success rates. Results for 19+ were good, and it was anticipated that success rates would improve further as a result. In order to keep up with national trends, a 2-3% increase would be required. A detailed analysis of retention and success rate data to the end of the year would be presented to Governors in November.

Following concerns expressed by Governors at the last meeting with regard to ensuring sufficient CPD was provided to maintain the quality of provision, further

questions were raised in relation to the reduction in costs outlined within the budget for 2008/9. The Deputy Principal confirmed that £9,000 of specific funding had been received which would be used for teacher training. With regard to the staff development sessions provided during the year, whilst 400 attendances had been recorded she was very keen to encourage more engagement from teaching staff to improve the profile further.

Plans to expand the lesson observation team had resulted in five colleagues agreeing to join the team who would be provided with specialist training. BW had published their data, which indicated 16% of grade 1s had been achieved against the College's profile of 10%, which was below the College's own target. The Deputy Principal emphasised that external consultants had been used prudently by ensuring that observations undertaken by BW were targeted in specific areas.

The Deputy Principal referred Governors to the procedures for the Observation of Teaching and Learning policy, explaining that whilst several changes had been made to improve the quality of teaching and learning over the past two years, Ofsted had identified that the College needed to address the low proportion of good or better teaching. New proposals were therefore being considered, details of which were provided for information. It was proposed that staff observed at Grade 3 would be re-observed within four months. If the member of staff concerned did not engage with the support provided, disciplinary action would be considered.

A budget had been set aside for further training by an external consultant in July and August for all colleagues who had been observed at Grade 3, with a focus on how to improve that Grade. Grade 2 colleagues would be asked to attend external training on how to be Outstanding, and offered the opportunity to share in good practice sessions. Grade 1 colleagues would be paid £200 as a reward and asked to contribute to the ABCOT sessions in the year to share their good practice.

The Deputy Principal reported that an analysis of the process had identified that 40% of Grade 3 staff observed had not engaged with the support activities arranged during the year. Governors were interested in the reasons for this, recognising the extent of the work and resource that had been put into such support. Mr Shephard commented that whilst he recognised the improvements to the process that had been made over the last year, there was a general feeling amongst many staff that it was unnecessary to be re-observed after receiving a Grade 3. Following a question about consultation with Trade Unions, the Deputy Principal made it clear that it was not necessary to consult on the proposals, but that the proposals would be shared with the Trade Unions for information at the appropriate time.

Governors expressed much concern that such a large proportion of staff had not engaged in the support made available, or did not recognise that there was a need to become better than Satisfactory, particularly as the College's aim was to become a Good College by 2012. Considerable debate took place over this issue, particularly the need for staff to take up the support provided to improve their performance as matter of professional duty. Governors were fully supportive of the proposals to bring about improvements and looked forward to receiving a further report in the autumn term. The Chair's comments on the lack of engagement clearly reflected the Board's strong and unanimous views on the way forward.

The Report was received.

09.106 Post Inspection Action Plan

The QIP/PIAP was presented to highlight the areas identified for improvement and targets which had been set over the next three years. The Plan indicated progress that had been made to bring about improvement to date. No significant concerns were raised with regard to the report.

The Report was noted and received.

09.107 Principal's Report

The Principal's report summarised strategic developments, most significantly the reduction in T2G funding and the uncertainty with regard to the future of the programme, and the reduced 16-18 allocation.

An update on the Retford Post 16 Centre was provided indicating that a district-wide curriculum strategy was to be developed to ensure a sustainable and broad offer across the catchment. This would be progressed through the Secondary Heads forum in the next few months. The Director of Children and Young People's Services at Nottinghamshire County Council had been invited to visit the College to learn more about its partnership working and contribution to the targets for 14-19 year olds.

The Principal reported that the College was not amongst those identified with schemes going forward in the last round of capital approvals and that further details of prioritisation criteria and new funding arrangements were still awaited in order to consider the next stage in the planned maintenance programme to address the quality and condition of the existing premises.

The report was noted and received.

09.108 Memorandum of Understanding

The Principal presented the report, explaining that the Memorandum of Understanding constituted the current working arrangements between the College and North Notts CREATE Ltd. The Director of Finance, as the Company Secretary, had undertaken the annual review as it was considered good governance in terms of the legal requirements to have such an agreement in place. Mr Savage's observation in terms of the purpose and scope of the Memorandum were noted.

The Report was noted and received.

09.109 Minutes of the Meeting of the Search Committee held on 11 June 2009

The Minutes were received.

09.110 Minutes of the Audit Committee meeting held on 25 June 2009

The Minutes were received.

09.111 Equality and Diversity

The appointment of Mr Ndlovu was recognised as maintaining the balance of diversity amongst members of the Corporation.

The acquisition of Retford College was noted to extend the College's direct provision into East Bassetlaw.

09.112 Governance Risk

Governors considered that the current level of reporting had allowed them sufficient information to monitor the financial risks presented to the College in the Budget and Financial plan.

Governors recognised that the redundancies had been handled in a sensitive manner by the College and noted that a positive PR campaign had been undertaken to readdress the adverse publicity generated by the Trade Unions.

09.113 Confidentiality

The terms of the acquisition of Retford College were deemed confidential for a period of five years beyond the acquisition.

09.114 Date and time of next meeting

Thursday 10 September 2009 at 6.15 pm.

Signed _____ (Chair) Date _____