



**WEST NOTTINGHAMSHIRE COLLEGE
CORPORATION BOARD**

Minutes of the Corporation meeting held in the Board Room at the Derby Road site on Thursday, 27th January 2011 at 5.00 p.m.

BOARD MEMBERS PRESENT: Kate Allsop (from 5.55 pm)
Howard Baggaley
Tim Clark
Nigel Cooper-Fowkes
Nevil Croston
Terry Dean
Diana Gilhespy
Jean Hardy (Chair)
John Holford
Asha Khemka
Philip Lancashire
India Murcott
David Overton
Nigel Quinton
James Stafford
Brian Stopford

ALSO IN ATTENDANCE: Maxine Bagshaw, Clerk to the Corporation
Andrew Martin, Director of Finance and Deputy Principal
Tom Stevens, Executive Director; Capital Projects and Estates
Patricia Harman, Deputy Principal: Teaching & Learning
Tracy Thompson, Director: HR (until 5.10 pm)

	ACTION by whom	DATE by when
<p>11.01 <u>STUDENT GOVERNOR APPOINTMENT</u></p> <p>The Clerk to the Corporation introduced this item and drew members' attention to the Summary Report at page 56. Members were happy to support the appointment of India Murcott as a Student Governor.</p> <p>AGREED: to approve the appointment of India Murcott as a Student Governor from 27 January 2011 until 31 July 2011.</p>		
<p>11.02 <u>DECLARATION OF INTEREST ON ANY ITEM ON THE AGENDA</u></p> <p>The Chair reminded those present to declare at the start of the meeting any interest to be held in any matter to be declared. No matters other than the standing matters were declared. The meeting was confirmed to be quorate.</p>	Clerk	27 Jan 2011
<p>11.03 <u>WELCOME, INTRODUCTION AND APOLOGIES FOR ABSENCE</u></p> <p>Apologies for absence were received from Steve Carroll, Mike McNamara and Chris Winterton. India Murcott was welcomed to her first meeting.</p>		

Signed : _____Chair

Date:

ACTION by whom	DATE by when
<p>11.04 <u>MINUTES OF THE MEETING HELD ON 9 DECEMBER 2010</u></p> <p>AGREED: that the minutes of the meeting held on 9 December 2010 were a correct record and were signed by the Chair.</p>	<p>Chair 27 Jan 2011</p>
<p>11.05 <u>ACTIONS OUTSTANDING AND MATTERS ARISING FROM THE MINUTES</u></p> <p>Members noted the detail on the Progress Report, there were no matters arising that were not covered by the summary document.</p>	
<p>11.06 <u>EQUALITY AND DIVERSITY:</u> <u>1. Data Monitoring Report</u> <u>2. Scheme for 2010/2011</u></p> <p>The HR Director introduced her report and drew the following to members' attention:</p> <ul style="list-style-type: none"> • Learner Data – the College attracts equal males and females (50/50) and continues to attract more learners from non-white British backgrounds than the local population (6.8% on campus College population, compared to local population of 4%). 10% of the College's learner population have declared disability compared to 10% at the same time in the previous academic year. • Learner Performance – initial analysis of data highlighted that learners age 19+ declaring a disability have not done as well as 16-18 learners declaring a disability. The Equality and Diversity steering group have requested initial data to drill down further with a view to support 19+ learners declaring a disability further. Upon reviewing the more detailed data, it appears that there is no specific pattern to address, but that extra support is to be offered. • Staff Data – the staffing profile is female 63:37 in line with the national picture for colleges. The ethnicity profile of staff is 4.8% and is now more in line with the College's full time learner profile. The College now has 0.9% of its staff whose ethnicity is unknown, compared to LLUK's 6.8% figure. 4.3% of College staff declared a disability, with 3.9% not disclosing any information. The College is well below the LLUK figure of 15.7%. • In recruitment, the conversion from applicant to appointment success is slightly disappointing, with a 1.5% conversion rate of applicants declaring a disability and a 6.% conversion for BME applicants. Further analysis is to be undertaken of the data in this area. 	
<p>AGREED: to note the content of the Data Monitoring report.</p> <p>It was acknowledged that whilst the Equality and Diversity Scheme 2010/2013 had been made available on the Governors' portal, the covering report had not made this clear and, as a consequence, the Governors had not reviewed the full document. In these circumstances, it was agreed that the Equality and Diversity Scheme for 2010/2013 would be rescheduled as an agenda item for the March meeting. In discussion, it was agreed that this document would be posted out with the next set of papers and not just placed on the Governors' portal.</p>	<p>Director: HR March 2011</p>
<p>(Tracy Thompson left the meeting at 5.10 pm).</p>	

Signed : _____Chair

Date:

11.07 PRINCIPAL`S REPORT

The Principal introduced her report and drew the following to members` attention:

- Funding Update - 16-18 year olds: the College should receive its allocation shortly and given that it has over achieved its numbers for 2010/11, it should receive the same, or slightly more allocation for 2011/12. The YPLA funding statement indicated a decision to cut funding for the 16-18 entitlement by 75% to 30 hours per year (currently 114 hours). This is a concern for the College, although there is transition protection over a three year period. The College currently has an allocation of £2.1million, it is expected that in 2011/12 this will be £1.75million in 2012/13, £1million and then in the third year, the full 75% cut will be effective. Final allocations are expected next week and will be reported as part of the mid year review at the March meeting.
- Funding Update – Adult Learner Responsive: the College has now received positive news regarding its indicative allocation. The budget forecast for 2011/12 had accounted for a £4.2million reduction, however, the indicative allocation is only £200k (this year, £11,249,541, and the indicative allocation for 2011/12 is £11,050,981), although this is not without changes to the underlying funding policy. Whilst this is good news, there are still challenges to be addressed.
- Funding Update - Higher Education: allocations are due after March 2011, but the College is not expecting any big surprises from its previous assumptions.
- Apprenticeships – these continue to be the key area for funding and recruitment opportunities. The College has managed to convert £13million worth of Train to Gain into £13million worth of Work Based Learning.
- Castle College/South Notts Merger – this is likely to proceed.
- Vocational Qualification Success Rates – it is delightful to note that the College`s overall achievement rate for Vocational Qualifications in 2009/10 was 93%. 7404 learners achieved qualifications in areas including Performing Arts, Childcare, Hairdressing, Health & Social Care, Fashion, Construction and Sports Science, through bodies including BTEC and NVQ.
- IQER Update – the College has now received its draft report and will now make comments on accuracy before the deadline date of 4 February. The College has achieved the highest grades that can be awarded. Once the final report is published, the College will do a publicity campaign regarding this achievement.
- Construction contractors have now been appointed and Bowmer and Kirkland are to undertake the works required.
- Cleaning Contract – following a tender process, the College has decided to bring its currently contracted out cleaning service back in to College. This is economically the best solution. The TUPE process is going smoothly, with no transfer costs incurred. It is anticipated that by coming back in house, the College will save approximately £50k. As employees to be TUPEd over are within the same pension scheme, there is a limited range of issues to address.
- College Management Group and Curriculum Managers participated in a conference during January 2011. The event was very upbeat, staff were all enthusiastic, and it generated a lot of good ideas.
- Dates for the diary were noted.

AGREED: to note the content of the Principal`s report.

ACTION by whom	DATE by when
Principal	March 2011

Signed : _____Chair

Date:

ACTION by whom	DATE by when
-------------------	-----------------

11.08 PROPERTY STRATEGY UPDATE

The Executive Director : Estates and Capital Projects introduced his written report and drew the following to members' attention:

- All the work relating to the reinstatement of classroom ceilings in the six storey tower block at Derby Road is complete. Staff have commented that room temperatures and acoustics are much improved.
- Consideration is being given to the removal of the existing ceilings and replacement in the staff rooms of the six storey tower block, this is to be completed later in the year.
- Relocation of the support teams to Ransom Hall is complete. Ransom Hall is now fully operational as an administrative hub for the College.
- Enabling works to the Trades Building and conversion of administrative space to classrooms is complete. Both areas are now fully operational for teaching and learning.
- Following the meeting of the Corporation Board on 10 January 2011, progress has been made on the appointment of a building contractor for the refurbishment of the existing workshops at Derby Road for the School of Creative Arts. The Board asked staff to proceed to full and final tender bids, with delegated authority to the Principal to make the final appointment within financial limits agreed. The tender process is complete and a pre-contract letter of intent prepared for the preferred contractor, who is Bowmer and Kirkland Building Services. Work is anticipated to start on Monday 31 January 2011. The contractors have actively been working behind the scenes in College this week, and fencing is to be erected on Monday 31 January, when the premises will become a construction site.
- Members were advised that a full report on the proposed second phase of building development will be presented at the March 2011 meeting. Members were advised that the College has been in dialogue with the local authority and planners, with a specific focus on the visual impact of future plans to be developed.

ED: CP&E

March
2011

AGREED: to note the content of the update provided.

11.09 FINANCE REPORT DECEMBER 2010

The Director of Finance introduced this item and drew the following to members' attention:

- The five months to the end December 2010 are beginning to show an overall improvement to the College Group, with the College itself showing significant signs of getting back on budget.
- Total income for the period to the end of December of £18.2million is still behind budget (£20.3million), but has for the first time exceeded budget in the month with £4.2million recorded against a £4.1million budget.
- The improved income generation has been supported through pay and non-pay costs, where continuing under spends give rise to a Group operating profit of £760k year to date, now just £44k behind the budget of £804k.
- College turnover has been boosted by acceleration in employer responsive activity, where an income of £1.5million in the month is some £554k ahead of budget. This results in a positive income variance in the month of £466k, bringing down the year to date adverse variance to £1.9million, with indicators of income growth for the next few months strong within this area of the business.

Signed : _____Chair

Date:

ACTION by whom	DATE by when
-------------------	-----------------

- Pay costs for December have continued to report a favourable variance with expenditure of £2.1million, some £76k lower than budgeted. This now includes the impact of incremental pay progression and moves the year favourable variance to £569k, without releasing any of the pay contingencies held back. This has been possible due to the higher than expected level of vacancies and restraint in making appointment decisions. Members were advised that the Management Team have had to make some very tough decisions in this area.
- Non pay costs have been below budget due to lower than expected partner activity and due to the acceleration in December, we are now seeing an overspend for the first time this year. However, total year to date non pay costs of £7.3million still give rise to an under spend of £1.3million, although this reduced by £141k in the month.
- Skilldrive continues to report a strong performance in the month of December, with this month and the previous month usually being the quietest of the year. Total income of £919k year to date provides an operating surplus of £356k, which is well ahead of the £208k budget, providing good reason to be optimistic of a record year for the Company.
- Safety Plus is now beginning to make some progress, with a reasonable performance in the month leading to a total income of £578k and an operating profit of £35k, still way behind budget of £158k. The set up of the construction company has now been completed, and a turnaround in fortunes is now expected as the Apprenticeship programme is up and running, with expected income coming on to the books from February 2011.
- Some changes have been made to the reporting of Vision Apprentices, including a 5% referral fee moving income from the College to the Company. This has limited losses for the year to date to £25.5k and should see the Company more stable from this point onwards.
- The Group balance sheet continues to be strong with net current assets of £1.6million supported by cash balances of £8.15million. The College currently has £3million on deposit, generating modest interest until the reserves are required to support phase 1 of the capital programme. The College is rated good for Financial Health as at the balance sheet date.
- The College is likely to receive early acceleration of payments from the SFA. It is believed that they are under spending and are looking at payment acceleration to offset this.

Members debated the under spend on pay costs and the tough decisions made not to recruit to fill vacancies that arise. One Governor raised a concern regarding the Creative Arts School of Learning and, in particular, the significant additional work that is going to be required over the summer to move into the new premises. A concern was raised that if staff are currently stretched, then over the summer, they will become over-burdened and this will have an impact upon staff sickness rates, morale etc. The Principal acknowledged that a balance has to be struck and that the general ethos for the College is to avoid redundancies where possible, and that when vacancies do arise, the Management Team are looking at business critical jobs. She confirmed that this would not be in the area of teaching and tutors, and that each vacancy that arises is taken on its merit, with preference being business critical functions. It was acknowledged that in relation to the Creative Arts department, they are generally busiest in June and July because of the productions that take place at that time so

Signed : _____ Chair

Date:

additional support is going to be available to them regarding the refit and that teaching the curriculum is the priority for the staff involved.

AGREED: to note the Financial Report to December 2010.

11.10 SAR 2009/2010

The Deputy Principal: Teaching & Learning introduced this item and confirmed that the full report had been rigorously reviewed at a number of levels and, in particular, the Standards Committee. She drew members' attention to the minutes of that meeting that are available at item 13 on the agenda. She confirmed that the Self Assessment Report is written in line with the Common Inspection Framework and, in line with this, the grades for the College for 2009/10 proposed are Grade 1 in all areas. She drew members' attention to the report which outlines the key strengths and areas for development identified in each section of the self assessment and confirmed that the full Self Assessment Report is available on the Governors' portal.

She confirmed that the SAR document strikes a balance between College strengths and areas for improvement and, whilst the College does not underestimate the development areas, it is believed that, on balance, there is evidence of many more strengths than weaknesses. Members were advised that the report, once approved by the Board, will go on to the portal and that it is not in the College's best interest to overplay grades if the evidence is not there, and that a very self critical approach has been taken to the whole process.

Members were happy with the rigorous process and the gradings proposed.

AGREED: to approve the Self Assessment Report and request that management upload the Self Assessment Report to the SFA/YPLA portal before 31 January 2011.

11.11 COLLEGE BUDGET 2010/11

The Director of Finance introduced his detailed report and confirmed that data presented was following earlier Board discussions at previous meetings. He confirmed that this report looks at initial challenges envisaged, but does not replace the mid year review that is planned for the March 2011 meeting. The following was brought to members' attention:

- Essentially the Budget, CSR and subsequent policy changes will not make a great deal of difference to the core College budget for 2010/11 outside of what the Board has already been made aware of. The key change is the shift from Train to Gain to Apprenticeships, but even now, this is not as rigid as it could have been under the circumstances of the emergency budget.
- From the emergency budget in June 2010, the College's Higher Education funding was reduced at the end of the last financial year (July 2010) with promise of little more to come. This amounts to around £35k of the funding, which had originally been allocated for the current financial year.
- Surprisingly, there will be no changes to funding rates in year, where initially it had been flagged that adult funding rates could be amended from April 2011. This is very good news and results in a clear line of

Signed : _____ Chair

Date:

ACTION by whom	DATE by when

sight of the delivery of plans, allocations and contracts for the current financial year.

- Further flexibilities will provide an opportunity for the College to be paid for its Adult Learner Responsive activity that exceeds allocation as long as it is able to create capacity within the overall adult funding settlement. This will mean managing the Train to Gain programme carefully but, if successful, could provide a net impact of around £250k at the margin.
- We do know that national insurance rates will increase for individuals and employers from 1 April 2011, but employers` thresholds will also increase, resulting in a balanced overall impact on employment costs. This was a key campaigning message for the Conservatives on what had been a planned dual increase for both employees and employers.
- Whilst we have yet to be informed of the actual details, increases in employers` pension costs are likely from 2011 following the tri-annual review carried out last autumn. We should expect that minimum increases of 1% will be applied to employer rates from April on LGPS employees. It is not possible at this stage to estimate any changes for the Teachers Pension Scheme and there has been no indication as to what or when changes may be applied.

Other Impacts already known to the 2010/11 budget:

- The Board have already been made aware that the Management Team have created an in year contingency in order to cope with any unforeseen costs and deliver a financial out-turn in excess of the agreed budget. This amounts to just over £700k and has been held back in the reported financial performance for the year to date. At the mid year review, the full contingency will be released, some against specific in-year costs and the rest to positively influence the financial results for the year.
- The College has now implemented the pay policy agreed by the Board in November which committed resources outside of that originally budgeted. These initial costs will be covered by the contingency release.
- It is already apparent that the 14-16 programmes have not recruited to learner numbers, with local schools increasingly finding it difficult to afford the costs of splitting learner groups and wanting to protect learner numbers at their own institutions. This is likely to impact on income to the tune of approximately £102k in the current financial year.
- The unforeseen costs of various incidents during this year, mainly concerning the ceiling tiles within the tower block are likely to bring forward a cost of around £200k against the revenue budget, this will be offset by the residual contingency referenced previously.
- The move to Ransom Hall was not foreseen within the original budget set at the beginning of the year and this, short term, will mean that the College will operate with an additional site between November 2010 and July 2011. From this point onwards, the College will withdraw from Thorsby Street and make some savings from its running costs. The additional costs of operating Ransom Hall for the current year is estimated at around £230k.
- Renewed energy contracts from April 2011 with much lower unit rates which are fixed for two years will impact favourably on the final four months of the current year, but at this stage the value of savings have not been calculated. For the full year, cost savings are expected to be in excess of £200k but these will only have an impact from 2011/12 onwards.

Signed : _____ Chair

Date:

And What of the Future Impact for 2011/2012:

- From the initial planning process, the prospects for 16-18 funding allocation looked to be promising with increased learner numbers a key element to the allocation process. The allocation process is now very formulaic.
- However the key policy development from the YPLA has been the reduction in funding hours to support the Curriculum 200 or 'entitlement' programme, where funding will be reduced from 114 hours to 30 hours. In order to put this into context the College currently generates £2.154million of funding under the current policy, the new policy for the same volume of learners would generate £0.57 million, a 73% reduction. However, for 2011/12 and future years, a 3% transitional protection per learner will be applied, meaning that for the same volume of activity, funding losses will be capped at 3% of the current allocation, to £371k.
- The College has received its initial adult funding allocation, and the position is much more positive than originally forecast.
- It is still the case that Train to Gain will no longer operate from 31 July 2011 but it will be replaced with a similar programme targeted at SME's, which are only an element of the market that the College currently engages.
- A 4.3% rate cut equates to a loss of £475k of funding for the same volume of activity across the adult budget, but a further challenge to generate more volume, but without additional costs to earn the same amount of funding. There will be an introduction of outcomes funding (£250k in our case), with details on how to earn it to follow, but essentially this means that to secure this element of funding, we will have to demonstrate sustainable employment outcomes for a cohort of adult learners.
- As the case for 16-18 learners, apprenticeships for adult learners are still the priority, with unallocated funding up for grabs depending on this year's performance. If we are able to grow our offer this year, then we may well be in a position to benefit from those providers that cannot.
- From 2013/14 a major change will come to FE in the form of the introduction of fees, with some entitlements falling away from 2012/13. This is likely to have an adverse impact on volumes of activity and significant work needs to be done in order to position the College's offer according to the market place.

Next Steps:

- The College will perform, as planned, a full mid year review of 2010/11 financial performance which will be presented to the Board on 10 March, (Finance and Estates Committee on 3 March 2011).
- The budget for 2011/12 and financial forecast for the next five years will be presented to the Board on 14 July 2011 (Finance and Estates Committee on 30 June 2011).

By way of summary, the Director of Finance confirmed that the College now knows the challenges to be faced and can plan for them, and that it will mean a significant change to the business plan long term, and a need to do things differently.

Members questioned whether there was any way of carrying over the over performance in 2010/11 to 2011/12 to, in effect, smooth out the expected difficult year. The Director of Finance confirmed that he would be looking to accelerate some costs, in particular in relation to maintenance, structural

Signed : _____ Chair

Date:

changes, etc, and that this will have the required impact. He confirmed that the Management Team have a significant job to do over the next month, to review plans and make recommendations on the direction of the College over the next few years.

AGREED: to note the update provided.

11.12 EMPLOYER RESPONSIVE PROVISION AND 16-18 WORK BASED LEARNING UPDATE

The Director of Finance introduced this item and drew the following to members' attention:

- Page 13 table 15, shows that the Train to Gain programme is starting to accelerate quickly.
- Page 39 table 16, the Work Based Learning programme is making significant progress and is ahead of programme. As a result, the College will be seeking to increase its funding allocation. The College remains very confident in this area.
- Pages 42 and 43 set out the detail of the College's current partners and the proposed increase to the contracts. It was explained that new partners have been found to give the College the push that it needs in this area, and that what will be seen over the remainder of the year is a retraction of the number of partners engaged, as learning is delivered. Members were assured that the College goes through a rigorous partner selection process and that this is a robust safeguard mechanism.

AGREED to:

- i) note the content of the report, and
- ii) approve the proposed contractual commitment variation with delegated authority of the Principal and Director of Finance to enter into contractual commitments for the amounts shown.

(Kate Allsop joined the meeting at 5.55 pm).

In terms of general discussion, members indicated that they would find it useful to know exactly what numbers (in % terms) of SME's the College and partners contract with, as this will be an important consideration as the funding changes are implemented. It was agreed that, for the next meeting, the Director of Finance would produce a report detailing the % number of SME's within partnership provision, so that Governors could get a clear understanding of the likely impact of funding focus.

Director of Finance

March 2011

11.13 EXCEPTIONAL REPORT SAFEGUARDING & EQUALITY & DIVERSITY

The Deputy Principal: Teaching and Learning introduced this report which covers the period 19 November 2010 to 31 December 2010. She confirmed that there had been no complaints relating to equality and diversity during this time. She provided an overview of safeguarding incident reporting, and confirmed that five matters had been recorded, these were set out in the table which starts at the beginning of page 44. She advised that there had been two disclosures under the Young People and Vulnerable Adults Protection Policy. In one case the family were contacted and the matter dealt with internally. The second, the student told a tutor that they wanted to kill themselves, and counselling support has been put in place. There have been no referrals to the Safeguarding Board at this time.

Signed : _____ Chair

Date:

Members` attention was drawn to appendix A, which provides the trend analysis for the period 1 August 2010 to 31 December 2010. Members questioned why there appears to be a significant increase in the number of safeguarding incidents for the period 25 of September to 5 November, it was acknowledged that this may be because it is the start of the new year and students are building relationships, but also that not all of the date periods are for the same number of days, therefore this is a longer time period and this will have an impact on the number of incidents.

AGREED: to note the content of the report.

11.14 MINUTES OF THE STANDARDS COMMITTEE 9 DECEMBER 2010

AGREED: to note the contents of the minutes of the Standards Committee meeting held on 9 December 2010.

11.15 AOB

The Clerk to the Corporation raised one matter of AoB, and this relates to the calendar of meetings for the remainder of the 2010/11 academic year. She drew members` attention to the April meetings of the Corporation Board and Standards Committee, she indicated that these meetings had originally been scheduled for 28 April, but upon review, this actually falls within the College Easter holidays, therefore the two meetings had been brought forward and will now take place on the 14 April 2010. Members were asked to note their diaries accordingly.

11.16 DATE OF NEXT MEETING

The Clerk to the Corporation confirmed that the next meeting was scheduled for 10 March 2011 at 5.30 pm.

Staff and students left the meeting at 6.00 pm.

11.17 CONFIDENTIAL ITEMS

Minutes of the Safety Plus Board Meeting held on 8 December 2010

AGREED: to note the minutes of the Safety Plus Board meeting held on 8 December 2010.

Minutes of the Skilldrive Meeting held on 8 December 2010

AGREED: to note the content of the minutes of the Skilldrive Board meeting held on 8 December 2010.

Minutes of the Vision Board Meeting held on 9 December 2010

AGREED: to note the content of the minutes of the Vision Board meeting held on 9 December 2010.

Confidential Minutes of the Corporation Board Meeting held 10 January 2011

AGREED: to approve the confidential minutes of the Corporation Board meeting held on 10 January 2011.

These were signed as a correct record by the Chair.

The meeting closed at 6.05 pm.

Chair

27 Jan
2011

Signed : _____ Chair

Date: