



Minutes of the Corporation Board meeting held in the Boardroom at the Derby Road site on Thursday 8 March 2012

BOARD MEMBERS PRESENT:
 Kate Allsop
 Howard Baggaley
 Tim Clarke
 Libby Crane
 Terry Dean
 Jean Hardy (Chair)
 John Holford
 Asha Khemka (Principal and Chief Executive)
 Mike McNamara
 Phillip Lancashire
 David Overton
 John Robinson
 James Stafford
 Brian Stopford
 Chris Winterton

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

12.18 DECLARATION OF INTEREST

Declarations of interest were noted in relation to Howard Baggaley, item 7, Tim Clarke item 8, and Jean Hardy item 9. It was agreed that the appropriate individuals would be asked to step out of the meeting when items pertaining to their disclosed conflicts of interest were to be discussed.

12.19 WELCOME INTRODUCTIONS AND APOLOGIES FOR ABSENCE

Apologies for absence were received from Nevil Croston and Diana Gilhespy.

ACTION by whom	DATE by when

Signed : _____Chair

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12.20	<u>MINUTES OF THE MEETING HELD ON 26 JANUARY 2012</u>	ACTION by whom	DATE by when
	The minutes were agreed as a true and correct record and were signed by the Chair.	Chair	13.3.12
	AGREED: To approve the minutes of the meeting held on 26 January 2012.		
12.21	<u>MATTERS ARISING AND ACTION PROGRESS REPORT</u>		
	There were no matters arising and members noted the action progress report.		
12.22	<u>PRESENTATION – ‘FREEDOM & FLEXIBILITIES’ EDUCATION ACT 2011</u>		
	The Principal introduced this item and provided a presentation. Key pertinent information was drawn to members` attention as follows:		
	<ul style="list-style-type: none"> • The 1992 Education Act freed colleges from the local authority. Within the new rules and regulations, the college sector has thrived. • In 2001 the LSCs were formed and their role was to provide skills in a strategic way, monitor quality and finances. The LSC spectacularly failed on all counts. • Following the failure of the LSC, the SFA, YPLA and Apprenticeship Service has emerged in the last three years. • Coalition Government, which came into power two years ago, promotes itself as a ‘Friend’ to the FE Sector. The Government introduced a number of initiatives which are seen to provide more opportunities for the FE Sector, 1) Skills for Investment, 2) New Challenges, New Chances – focus on employer responsive and engagement, 3) Investment Strategy, 4) Skills Investment Plan, 5) Education Act 2011. 		
	She drew members` attention to a summary of the act with key issues noted:		
	<ul style="list-style-type: none"> • New Freedoms, Flexibilities and accountabilities. • Corporations and colleges become masters of their own destiny and their own Governance arrangements. • Freedom to develop individual Instrument & Articles, including categories of governors, committees and structures. • No permission required for merger. • No borrowing approval required. • No need for Internal Audit or Self Assessment Report (although it was acknowledged that the College finds both very valuable tools to bring about improvements and will not seek to remove them from fully embedded processes). 		

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In terms of the new freedoms and flexibilities, she indicated that the Board could and may ask why, as a successful College, it would want to seek to change. In her view, the legislation provides an opportunity to review and focus on strengths of the organisation and ask the question whether or not the College wants to focus on a unique selling point, eg, entrepreneurships.

She indicated that there were a number of implications flowing from the new legislation, these are:

- New structures, partnerships and alliances, eg, mutual ownership, the John Lewis model, federations, alliances and mergers. There will be an opportunity to review the Board structure as a whole.
- Local accountability – balancing local and national delivery, very much at the heart of the Government’s agenda, with a key focus on employers. This will provide an opportunity to examine ambitions.
- Governance structure, payments, membership.
- Borrowing.
- Failing colleges.

The Principal did inject a note of caution regarding the new freedoms, in that she explained that Ofsted appears to be going in a different direction. She indicated that the sector believes that Ofsted will sample approximately 5% of outstanding colleges in the short term and that, of colleges already inspected, the sector has seen a general decline in inspection grades.

The recommendation from the Principal going forward was to establish a small working group to propose its response to the changing environment. She indicated that, potentially, the new freedoms and flexibilities have quite significant implications, but that it is key to focus on quality. All governors felt that, internally, what was needed was developing links with schools and the ability to raise aspirations at a much earlier stage. Governors urged the Management Team not to lose sight of what is at the core of the College and the provision that it is good at. A concern raised by the Board was management ‘stretch’, and the steer was not to try to do everything at once, but to develop one or two key proposals.

It was felt by the Board that the new framework provides an opportunity for the College to work with much larger organisations, eg banks, and that the new framework may make it easier to interest them in partner arrangements. All governors felt that the new framework came with greater responsibilities and that there would be a need to ensure that robust checks and balances were put in place/retained.

Members` attention was drawn to a draft letter to be sent from the Chair to John Hayes in response to the consultation document. Members

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reviewed the document and one member of the Board particularly strongly disagreed with the sentiment and tone of the letter. It was his view that the changes proposed are dismantling the public sector and FE and that his concern is that the new environment will weaken FE and weaken accountability.

He indicated that he would not be able to say that he wholeheartedly supported the changes and, in his view, perceived the future environment as dangerous. Members all acknowledged the comments raised and were happy to receive a dissenting opinion. It was agreed that the letter would be amended to acknowledge the concerns raised, but represent the majority view. The Board accepted that they would have to work within the arrangements developed, but that the concerns detailed would remain at the forefront of everyone's minds.

Going forward, all members of the Board agreed that students, communities and teaching and learning were the most important focus for the College and the Management Team. It was agreed that a small working group would be established to work up a range of potential options to discuss at the June residential. Volunteers were identified as Mike McNamara, David Overton, Kate Allsop, John Holford, John Robinson and Phillip Lancashire.

AGREED to:

- a) Note the update provided, and
- b) Establish a small working group to advise the Board on structural options and Instrument and Articles of Government 2012.

12.23 MID YEAR REVIEW OF COLLEGE STRATEGY AND PERFORMANCE 2012

The Director of Finance introduced this item and provided a presentation on the mid year position. He drew members` attention to the Finance and Estates Committee meeting which took place on 1 March 2012, particularly section 12.09, which included some very helpful discussions regarding the mid year assessment. He drew members` attention to the presentation and the following was noted:

- 1) The Evolving Shape of Further Education:
 - The Education Act 2011 – greater flexibilities and freedoms for colleges.
 - The skills investment strategy.
 - Continued focus on apprenticeships.
 - Solutions for the unemployed – the Government are particularly determined to tackle youth unemployment.
 - Leading in the community.
 - Higher fees for higher education – a real shift in culture in that individuals are expected to pay for their own education and investment to be made in yourself and your employees.

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2) Financial Overview:

- College Group income of £49.31million (£49.12million forecast), so better than budgeted.
- Operating surplus of £2.48million (£1.94million budgeted).
- Adult apprenticeships £7.56million (£4.16million).
- 16-18 apprenticeships £7.50million (£8.9million).
- Adult skills budget £14.1million (£13.6million).
- Capital investment in 2011/12, £12.7million.
- Borrowing as at 31 July 2012, £2.5million.
- In summary, the picture is a very positive one overall.

Members` attention was drawn to the table of key performance indicators where significant reductions in provision/funding for NVQ and Adult FE were noted. To offset this there is a huge increase in allocations for adult apprenticeships, this is to meet the Government`s stated direction of travel.

3) Applications 2012/13 (as at 2 March 2012):

- Overall College - 8% up total applications (3742), 43% of acceptances, (539). It was explained that the College has undertaken interviews a lot earlier this year.
- HE - 17% up on offers made (60), this is despite original fears and anxieties regarding this provision.
- Concerns by area – Hair and Beauty, 30 down, ‘A’ levels 35 down. All agreed that this was a worrying trend as a significant investment in Hair & Beauty has been made in the new build.
- Significant areas by increase, Motor Vehicle 100 up, Performing Arts & Media 100 up.

4) Challenges in the Year:

- 16-18 apprenticeship numbers.
- The College Estate – delivery through change.
- Maintaining and improving success rates – College and partners. It was noted that when inspected in 2008, success rates were 82%, this reduced in 2010/11 to 80%. The Principal expressed a belief that 2011/12 would show a move back upwards.
- Embedding the restructure – key focus areas for development are data services and web design services.
- Refocusing our strategy to reach new heights.

5) Reaching New Heights:

- Enterprise and Entrepreneurship.
- Commercialisation and exploitation of assets – it was noted that the College has appointed a Commercial Manager to address this.
- Job outcomes from College students.
- Strategic employer relationships.
- Leadership in the community.

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6) Future Challenges:

- Estate development and completing the whole strategy.
- Managing the impact of HE fees and preparing for FE fees.
- Funding allocations for 2012/13 and beyond – members were advised that the College will know all of its funding allocations by the end of March.
- Building strategic employer partnership for mutual benefit.
- Outcome based funding.
- Ofsted and inspection.

Members reviewed the data performance as a whole and acknowledged that the College has seen some benefits in changes of Government policy. These were accepted to be a one-off impact. The implication of performing better than budget is that the College had not needed as much borrowing as originally anticipated. In addition, the receipt of the £1.9million capital renewal grant has provided more flexibility regarding aspirations and the need to borrow. Members noted the summary of the operating environment detailed at paragraphs 6-14.

One question raised was in relation to the comment at page 6 on the BIS document, where it was noted that the Government’s intention was to introduce a 10% reduction in numbers. Members questioned how this will affect the College. The Principal confirmed that the whole sector is fully aware that public funding will reduce on an ongoing basis, and there will be the need to make up the difference through private and employer contributions. The Principal acknowledged that the challenge for the Board and Management Team is to maintain and grow its market position.

Members, having received the presentation summarising current position and challenges and the detailed College Group mid year financial forecast, were happy to accept the mid year re-forecast explanations.

AGREED to:

- Note the position, and
- Approve the reforecast position.

12.24 PROPERTY STRATEGY UPDATE

(Howard Baggaley stepped out of the meeting for this item).

The Executive Director: Capital Projects & Estates introduced this item and drew the following to members’ attention:

- Following approval of £1.9m funding for the new teaching block, the College has requested payment of £1.69million from the SFA, on the basis that Mansells started in January. The SFA has indicated that payment will be made towards the end of March 2012.

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- The College is around 25-30 car parking spaces short on previous numbers, following commencement of the work on the new teaching block by Mansells and closure of the Enviro Block car park in January. Arrangements have been made for 25-30 car parking spaces at Mansfield Football Club, to date these arrangements have not been used by staff.
- The Sports Hall is progressing with foundations laid. Baggaleys have indicated a potential delay on works, but no formal notification has been received yet. They are hoping to be able to catch up on programme. At this point in time, it was feared that the delay may be as much as six weeks.
- Contract documentation for the Sports Hall and Car Park has been agreed.
- Week commencing 6 February demolition to the existing Sports Hall commenced and is now complete. The surrounding ground has been broken up for the laying of foundations.
- Contract documentation for the new Teaching Block and enclosed courtyard is close to final agreement.
- The Boardroom is scheduled for closure from 30 March 2012 to enable part demolition and access to the new teaching block. Alternative arrangements will be made for Board meetings.
- Earlier timetable for the cladding to the six storey tower envisaged a 4/5 month period of work, commencing in January 2013. This programme increased to around seven months with the revised design for the crown. More recent detailed programming indicates that the work could take around eight months to complete. Planning is presently underway to consider whether work could start during the forthcoming summer 2012 vacation period and the procurement route.

Members were advised that this was discussed in detail by the Finance & Estates Committee and the recommendation is that Mansells be appointed to act as Managing Agents with specialist cladding sub-contractors appointed as appropriate. Members were advised that more information would be brought to the Board on this as appropriate. It was acknowledged that if sensible managing arrangements were not put forward by Mansells, then the option was always there for the College to step back and look for more independence. It was acknowledged by all that completion of the Crown is going to be one of the most complex elements of the project, and that this really needs to be factored into the potential time taken to complete this element of the project.

Members' attention was drawn to the minutes of the Finance & Estates Committee meeting and, in particular, the discussions regarding the potential for moving forward with the development of an Engineering Centre. The Board were advised that the receipt of £1.9million from the SFA has opened up the possibility of progressing with this aspirational development earlier than was originally foreseen. Members were

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advised that the next step is for the College to work up a feasibility study. It was acknowledged that if the College is not able to get the right proposal and deal in place, then this may put acceleration of this part of the project on hold.

Members took the opportunity to discuss Mansells involvement in the part of the project involving the six storey tower, they received assurances from the Executive Director: Capital Projects & Estates that all financial costings would be at transparent rates and the same as in the new build element of the project. The Board were advised that the College is able to specify its own cladding sub-contractors to participate in the tender process, and that in this way it will be possible to ensure that the tender process for specialist works is not a closed shop.

AGREED: To note the update provided.

(Howard Baggaley re-joined the meeting at this point).

12.25 BANK FACILITIES TENDER REPORT

(Tim Clarke stepped out of the meeting at this stage).

The Director of Finance introduced this item and drew members' attention to his written report. He also drew members' attention to the minutes of the Finance & Estates Committee meeting, which was held on 1 March 2012 and, in particular, section 12.11 where full and detailed discussions regarding the potential bank facilities were recorded.

The Director of Finance summarised the position and explained that, following extensive tender review and presentations, there were two options for the Board to consider, one with Lloyds TSB and one with Natwest. Members noted the recommendation from the Finance & Estates Committee (page 17 of 19), and were happy to endorse the proposal put forward.

AGREED to:

- a) Note the update and detail recorded regarding banking options and tender process, and
- b) Approve Lloyds TSB as the banking partner for capital project loan facilities.

(Tim Clarke rejoined the meeting).

12.26 SEARCH COMMITTEE MEETING HELD ON 26 JANUARY 2012

(Jean Hardy stepped out of the meeting at this stage).

Signed : _____ Chair

Date:

ACTION by whom	DATE by when

The Principal introduced this item and indicated that there were a number of matters to consider:

1) Minutes of the Search Committee meeting held on 26 January 2012.

AGREED: To note the contents of the minutes of the meeting.

2) Reappointment of Jean Hardy as a Governor from 31 March 2012.

The Principal explained that she had had an opportunity to speak with the Chair of the Board following the Search Committee meeting, and that the Chair had indicated that she would be happy to continue as a governor, and as the Chair if she were so invited. That being said, the Chair wishes to make it clear that she does not want to stand in the way of anyone else who is interested in progressing to the position of Chair. The Principal confirmed that she had had an opportunity to speak to the Vice Chair of the Board, and that he has indicated that he would not wish to stand for Chair at this time.

Members discussed the recommendation to reappoint Jean Hardy as a governor, and as the Chair of the Board for the 2012/13 academic year. All agreed that Jean had been a real asset to the Board and that her considerable experience was something not to be lost and that she has always been a strong contributor. Members felt that, despite the length of service, she has never shown a lack of enthusiasm or become stale and members felt that her guidance and intuition on what is right was outstanding. On the basis of discussions, members were happy to support the recommendation to reappoint her for a further term of office as a governor for four years and reappoint her as Chair of the Board of Governors for the next two years as permitted within the standing orders.

AGREED to:

- a) Reappoint Jean Hardy as a Business Governor from 31 March 2012 until 31 March 2016, and
- b) Reappoint Jean Hardy as the Chair of the Board of Governors from 31 July 2012 until 31 July 2014.

(Jean Hardy rejoined the meeting at this stage).

3) Appointment of Chris Bodger as a Governor

The Principal confirmed that Chris Bodger is currently an external co-optee to the Audit Committee. His contribution has been very valuable and that, as a consequence, the Search Committee would wish to recommend his appointment as a full Governor.

AGREED: To appoint Chris Bodger as a Business Governor from 8 March 2012 until 8 March 2016.

Signed : _____Chair

Date:

ACTION by whom	DATE by when

4) Staff Governor Vacancy

The Clerk to the Corporation indicated that, following an invitation for Teaching Staff Governor nominations, only one nomination had been put forward and that, as a consequence, this individual would be appointed unopposed. She confirmed that the nominee was Adrian Harpham.

AGREED: To appoint Adrian Harpham as a Staff Governor from 8 March 2012 until 8 March 2016, or until such time as he ceases to be a Governor, whichever is earlier.

12.27 MINUTES OF THE STANDARDS COMMITTEE MEETING HELD ON 26 JANUARY 2012

AGREED: To note the content of the minutes.

12.28 MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON 23 FEBRUARY 2012

AGREED: To note the content of the minutes.

12.29 MINUTES OF THE FINANCE & ESTATES COMMITTEE MEETING HELD ON 1 MARCH 2012

Members` attention was drawn to discussions at paragraph 12.13 regarding the College fee policy for 2012/13 and the recommendation put forward to approve the same. Members agreed that the minutes provided a detailed summary of the policy proposed and were happy to endorse the Committee`s recommendation on that basis.

AGREED to:

- a) Note the content of the minutes of the meeting, and
- b) Approve the College Fee Policy for 2012/13.

12.30 CONFIDENTIAL MINUTES

It was agreed that these would be recorded separately.

(Staff and students left the meeting at 6.50 pm).

12.31 AOB

A number of matters of AOB were raised.

- 1) The Principal notified the Board that she and the Chair would be attending a conference in Melbourne. She explained that she and the Chair had been invited to attend a conference which specifically looks

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- at national apprenticeship development by the MEGT. This conference attendance is in April 2012.
- 2) As a point of order, it was requested that AOB be scheduled before confidential items at future meetings.
 - 3) It was noted by members that today is International Women’s Day – it was acknowledged that the College is in a fortunate position of having both the Chair and Principal who are females.
 - 4) Invitations were circulated for the launch of Forest Ferret Chutney. It was explained that this was a Student Enterprise initiative.

12.32 DATE OF NEXT MEETING

The Clerk to the Corporation confirmed that the next meeting was scheduled for 26 April 2012.

(It was noted that the Chair and the Principal will have to submit apologies for this meeting, as they will be in Australia).

Meeting closed at 7.00 pm.

ACTION by whom	DATE by when

Signed : _____Chair

Date: