

Minutes of a Meeting of the Corporation held on Thursday, 14 October at 5.30pm in the Boardroom of the College

Present: Damian McSweeney (Chair); Paul Pharaoh; Les Agnew; Norma Boyes; Sarah Graham; Joe Holliday; Jill Killin; Cath Richardson (Principal); Robin Talbot; Rick Wylie; John Lackie; Michael Doyle

Apologies: Andrew Oldham; Mark Stanger; Tom Ryan

Also present: Karen Wilson, Deputy Principal Finance & Corporate Services; Chris Nattress, Deputy Principal, Quality, Curriculum, & Partnerships; Jane Murray (Clerk to Govs); Clare McGuinness, Partnerships and External Relations Manager (Minute No 86/10).

80/10 Change to the agenda

The meeting had been preceded by a briefing from the Skills Funding Agency speculating on the likely effect of public sector cuts on Further Education Colleges.

Until there was more clarity, the Chair highlighted the disadvantages of speculation and requested that discussions be kept confidential.

Resolved – that the briefing by the Skills Funding Agency be kept confidential and that Item 15 be moved to the confidential part of the agenda.

81/10 Minutes

The minutes of the meetings held on 29 July and 16 September 2010 were approved and signed as a correct record.

82/10 Declarations of Interest

With respect to Item 7 (partnership update, minute no 86/10), in particular relations with partner academic institutions, the following declared an interest:

Paul Pharaoh, Associate Director and member of the Audit Committee
University of Cumbria
Dr Robin Talbot, Dean, Faculty of Health and Well-being, University of Cumbria
Rick Wylie, Employee of the University of Central Lancashire

With respect to Item 14, Damian McSweeney declared an interest on his re-appointment.

83/10 Key Performance Indicators

The Deputy Principal Finance and Corporate Services presented the first of the academic year's key performance indicators. It was early in the academic year to be able to provide substantial data, however it was felt that there had been a strong start to the year for student numbers, which would be developed throughout the year as all enrolments were captured and part-time courses happening later in the year were included.

It was noted that 14-19 Foundation Learning development was showing red, again as it was early in the year, but more progress was expected in partnership with local schools and there were few concerns at this stage.

The threshold had been increased at the start of this academic year for those required to complete the online safeguarding training, which accounted for why it was showing red.

In light of anticipated cuts, the need to reduce the dependency on public sector income was again seen as a major challenge.

Agreed – to note the update

84/10 Draft Financial Performance Outturn 2009-10

The Deputy Principal noted that the external auditors were in the College this week to audit the financial statements. The end of year balance sheet was looking fairly strong and in line with the outturn predictions in July 2010.

It was noted that at this stage, projections did not include either the CCL Accounts or the FRS17 provision (the pension fund estimates).

Governors had been kept abreast throughout the year of the challenges facing the delivery of the apprenticeship training, which was a national issue and not unique to this college. The under-performance of the contract was of particular concern as this may impact on the roll-over activity for next year and as previously advised, it was expected that this was where additional monies would be released.

Fee income reflected the more difficult economic conditions as did the impact of low interest rates on investment income. Governors also noted the pressure on non-pay budget lines, in part due to over-performance on the College's main contract lines.

Premises costs had been above profile, in large part owing to continuing work to secure compensation or replacement of the substandard windows and roof.

Agreed – to note the draft outturn which would be considered in more detail in December.

85/10 Facilities Report

The Deputy Principal Finance and Corporate Services updated the Board on the project to construct a special educational needs 14-19 centre and proposals for a construction skills centre.

For the SEN centre, Governors were reminded that there was a very tight deadline of September 2011 for the completion of the project under funding conditions. This would be a multi-room classroom environment enhancing the estate with a flexible arts space including pull-out seating.

Given the tight deadline, the Board's permission was sought to waive the need to tender for architects. Unwin Jones had a good track history with the College and their rates at 6% (approx £54,000) compared favourably to the lower recommended scale of the Royal Institute Building Architects (RIBA) of between 6.5-9.6% as evidenced in the supporting papers.

Asked whether the overall budget of £1.225 m would extend to consultancy input, the Deputy Principal was hoping to secure the extension well within budget allowing both contingency and flexibility for the finer touches.

Confirmation was also sought and received that the company was financially secure and on that basis the Board was content to proceed as suggested.

With respect to the Construction Skills Centre, it was noted that a feasibility study had been carried out which had concluded that there was a requirement for the facility and that the best location and provider was the College. The Board sought assurance that there would be engagement with local stakeholders in the construction field to ensure that developing plans matched their requirements. A suggestion was made that the newly-formed construction group within Britain's Energy Coast Cluster would be worth considering as a means of engagement.

In considering preliminary plans for the building, it was questioned whether the building required to be separate from the main building, this being seen as a psychological barrier, and whether there might be room for a connecting corridor or an extension to the main college building, the latter giving rise to more flexible space. It was felt that the nature of the site, the nature of the use of the building and the cost of the project supported a separate building, although students would use the resources of the main college building including the Learning Resource Centre and the restaurant and cafe facilities. There would, however, be a need to secure a further access to the proposed site and this issue was being pursued.

It was also questioned whether in the course of letting the contracts some provision could be included to secure apprenticeship places. It was felt while this was to be encouraged, previous experience had shown that it was very difficult to tie a contractor down to this.

The risk of contractors, appointed to a nuclear new build, shipping in construction labour was raised and it was felt that liaison with the Nuclear Decommissioning Authority would be key when it came to letting the new-build contracts.

Resolved –

- 1) that the requirement to tender be waived in appointing the architects for the SEN centre.
- 2) that progress on both projects be noted.

86/10 Image and Reputation – Partnership and Projects Update

In presenting a third report to keep Governors up-to-date on partnership working, the Partnerships and External Relations Manager highlighted a number of key projects.

- The Asda pre-training process at Maryport Outreach centre had been successful in training 40 local people.
- The Carnegie Theatre project was subject to a little delay pending the comprehensive spending review.
- The Jean Christophe Novelli dinner on 16 November 2010 was to be a commercial event.
- A major achievement had been to secure the College's position as provider of choice with the local job centres. This was continuing with pre-Xmas training.
- Work was continuing with Copeland Borough Council on apprenticeship training and the aspiration was to build similar provision with Allerdale Borough Council.

A decision to participate in principle in a (Cumbrian) collaboration tender bid to run the (the U of C) Newton Rigg campus was endorsed by the Board. The Principal felt that there was little risk to the College of such a move, it being unlikely that students would be lost from this area to the facility.

Asked whether the figure of repeat business at 52% was a downward trend, it was explained that an increase in new business at the end of last year had impacted on the repeat business figure.

Resolved – to proceed on a collaborative basis in a joint tender for Newton Rigg Campus.

Paul Pharaoh, Dr Robin Talbot, Rick Wylie withdrew from the meeting.

The Principal informed the Board that a decision had been taken to withdraw the College's engineering degree from validation by the University of Cumbria and to partner with the University of Central Lancashire instead. The decision had not been taken lightly.

In spite of great effort on the part of the U of C's partnership office (to whom no blame was attached) and the college, with work continuing from last term through the summer break, delays to the validation process for the engineering degree had left the college very exposed and 11-12 students at risk of not having their course validated and it was for this reason that the decision had been taken.

Given the circumstances, those present concurred with the action taken.

Paul Pharaoh, Dr Robin Talbot, Rick Wylie returned to the meeting.

87/10 Collaboration Update

The minutes of the Collaboration Board of 24 September 2010 were received and noted.

Whilst noting the success of the collaboration exercise in the good co-operation of the Principals, the Vice Chair of Corporation, who sits on the Collaboration Board, recalled discussions at the outset of the collaboration initiative, which had acknowledged that the colleges would have to be prepared to operate out of their comfort zone if the exercise was to prove successful. He felt that the colleges must co-operate fully if collaboration was to prove wholly successful.

88/10 Contract Management

Governors received a comprehensive update on contract management, which concluded that there had been the best performance yet in 2009-10 for sub-contractors with retention and success rates at 97% (national average 86%).

As previously indicated, the plan for 2010-11 was to substantially reduce the sub-contracting activity and maximise in-house resources, and Governors were already aware that Train 2 Gain funding would disappear in future years (with the exception of rollover training) under the new Government's priorities and apprenticeship training increased.

It was for this reason that Governors' approval was being sought to add an additional, national provider of apprenticeship electrical training, JTL; to the approved sub-contracting partnership list, which included ADG Insights; Sellafield; Lawson's' and the Fire Service as follows:

Sub Contracting 2010/11

Funding Stream	Full Funding Approval	% or Amount Reimbursed to Sub-Contractor	Sub Contract Partners	Learner numbers
Train to Gain	£ 13,500 £ 1,250 £104,000	70% 80% 80%	ADG Insights Sellafield Lawson's	Rollovers 18 Rollover 1 Rollovers 49 plus new starts 35
16-18 & Adult Learner Responsive	£100,000	80%	Fire Service	45 new starts
Apprenticeships	£150,000 estimate	Fixed fee per learner NVQ £3,000 - 3,600	JTL	Approx 20 but agreement still in process

Reassurance was sought and received that sub-contractors were subject to similar standards and behaviours with respect to safeguarding.

Resolved – that sub-contracting partners for 2010/11 be approved as above.

89/10 Risk Register

Of key consideration in the risk register was the current political uncertainty. Governors were acutely aware of the need to manage that change. Asked whether there was any indication of whether the approach of local MPs was to work collaboratively and constructively with the new Government or whether to work in opposition, the Principal informed Governors of a meeting with both MPs the following day.

90/10 Financial Regulations Review

The financial regulations had been subject to review by the Audit Committee (with input from the Internal Auditors). The main changes had been to reallocate roles with the demise of the resources committee and to harmonise limits above which corporation approval should be sought at £50,000.

Asked whether, in light of the recent experience of the 14-19 SEN centre, Governors would wish to consider returning the limit to £100,000 at which the Principal could waive a tender (subject to certain conditions), Governors felt comfortable at the proposals to harmonise limits at £50,000.

Resolved – that the financial regulations be approved.

91/10 Audit Annual Reports and Plan

The Chair of the Audit Committee reminded those present of the statutory requirement to bring an annual report to the Board giving assurance on the effectiveness of both the systems of internal control and of the internal and external auditors, which, based on the information they had received, they were happy to do.

He drew attention to the number of internal audit reports in 2009-10 and their outcomes, with six out of seven reports giving substantial assurance and only one receiving 'adequate' assurance, the latter being tracked according to an agreed action plan. A review of risk maturity had put the college in the second top band of 'risk managed'.

In recommending the audit strategy for 2010-13, inclusive of the audit plan for 2010-11, he noted that the Committee had had an input into this plan which was based on the risk register. There was some flexibility within the plan to respond to emerging risks through reprioritisation.

The Chair thanked the Audit Committee for the thorough and diligent work it had carried out during the year.

Resolved –

- 1) That the Audit Committee's annual report 2009-10 be received and noted.
- 2) That the annual report 2009-10 of the internal auditor be noted.
- 3) That the Audit Strategy 2010-13, inclusive of the audit plan 2010-11, be approved.
- 4) That the minutes of the Audit Committee held on 13 September 2010 be noted.

92/10 Financial Management and Control Evaluation (Self-Assessment) Part 1

Following consideration of the 'strategic oversight' of the FMCE return and the conclusions of the self-assessment results from July, the Board agreed their position as 'good', with ambitions for achieving 'outstanding' next year once the new structure was embedded. It was also recognised, however, that these ambitions might be thwarted through circumstances beyond their control once the scale of government spending cuts was clearer.

Recognising that the Audit Committee had already considered the draft FMCE return, there were no further comments on part 1.

Resolved –

- 1) That the strategic oversight part of the self-assessment grading be confirmed as 'good'.
- 2) That part 1 of the FMCE return be approved.
- 3) That the Governance Action Plan 2010-11 be approved.

93/10 Governance Review & Re-appointment

Damian McSweeney withdrew

The Vice Chair assumed the Chair.

The annual review of Board membership by the Search and Governance Committee had taken place in September into which the Governors' personal self-assessment analysis had fed. This had been used to consider upcoming vacancies and to formalise training needs.

It was recommended by the Search and Governance Committee that Damian McSweeney be re-appointed from the expiry of his term of office for a further four years, which was agreed, his contribution and chairmanship being appreciated.

It was noted that an advertisement had been placed for new Governors following the resignation by Mike Davidson as it was felt that greater private sector involvement at this stage would be most helpful.

Resolved –

- 1) That Damian McSweeney be re-appointed from 311210-311214.
- 2) That the Search and Governance Committee minutes of 16 September 2010 be noted.
- 3) That two additional (concurrent) training sessions be held on 23 November from 1615-1715h, one on safeguarding and one an introduction/refresher to finance.
- 4) That the Search & Governance Committee for 23 November be moved to 1545h.

Damian McSweeney returned and resumed the Chair.

94/10 Confidential Session

Resolved - as previously discussed to move into confidential session for the remainder of the meeting.

95a/10 Future Funding Scenario Models

Differing funding models were discussed as a means of mitigating any impact from government spending cuts.

96a/10 Minutes

The confidential minutes of the meeting held on 16 September 2010 were agreed and signed as a correct record, subject to one amendment.

The minutes of the Remuneration Committee held on 1 July 2010 were received and noted.

The meeting closed at 7.30 pm