

**HARROW COLLEGE FURTHER EDUCATION CORPORATION  
MINUTES OF THE MEETING OF THE CORPORATION  
WEDNESDAY 10 JULY 2013**

**1. CORPORATION DEVELOPMENT SESSION**

Following the recent Ofsted inspection, a presentation was received summarising the findings and recommendations regarding areas requiring further attention.

After extending congratulations and commending managers and staff on such a positive outcome, there was discussion of the College's plans for addressing the recommendations in the report and for securing an outstanding grade at the next inspection.

**2. PRELIMINARY PROCEDURAL MATTERS**

**2.1 Attendance, Apologies for Absence, Welcome & Introductions**

**Membership:** Nick Davies  
Yvette Adu-Mante  
Mark Eastwood  
Sandra Ernstoff (Chair)  
Jay Jobanputra  
Chloe McIntosh  
Tony Medhurst  
Steve Owen  
Sachin Shah  
Ketan Sheth  
Mumtaz Van Der Vord  
Antonio Weiss

**In attendance:** Judith Abbott  
Pat Carvalho  
Jayne Chaplin (Clerk)

**Apologies:** Talwyn Hayes  
Karen Tyerman

**2.2 Chair's & Clerk's Announcements**

Members were advised that:

2.2.1 Following the end of the term of office of the former support staff member, Gill O'Brien, an election had taken place and that Talwyn Hayes had been elected as Gill's successor. Talwyn's election as staff members was endorsed.

2.2.2 Whilst it was the last meeting for the student member, Chloe McIntosh, the second student member, Yvette Adu-Mante had been re-elected and would be returning in the autumn term.

Congratulating Yvette on her re-election, the Chair wished Gill and Chloe well and extended the Corporation's thanks to them for the great support and the invaluable contributions each had made provided during their time in office.

### **2.3 Declarations of Interest & Agenda Order**

Declarations of Interest were received from Sandra Ernstoff with her work with the Education Funding Agency and Sachin Shah in his role as Harrow Councillor.

It was **RESOLVED** for Agenda Items 3.1a and 3.1e to be taken as one item.

### **2.4 Minutes of the Meeting 12 December 2012**

The Minutes of the Corporation Meeting held on 27 March 2013, were agreed as a correct record and signed by the Chair.

### **2.5 Matters Arising**

None advised.

### **2.6 Board Business 2013/14**

#### **2.6a English College's Code of Governance (The Code)**

Following the adoption of the Code in July 2012 and the assessment at that time of the Corporation's compliance with the provisions of the Code, a report was received updating members on progress and providing recommendations in respect of those areas of compliance remaining outstanding.

After acknowledging those items forming the subject of separate report elsewhere on the agenda, the report was noted.

#### **2.6b Board, Committee Memberships & Meeting Calendar**

A report was received presenting recommendations for membership re/appointments and the Committee memberships and Meeting Calendar for 2013/14.

It was **RESOLVED**:

- On the recommendation of the Search & Development Committee, to **APPROVE** the appointment of Elizabeth Warriner as a Board member for a four-year term; and the re-appointment of Ketan Sheth for a second term of office of four years.
- To **APPROVE** the Committee Memberships and Meeting Calendar for 2013/14

## **3. ITEMS REQUIRING FORMAL REVIEW OR APPROVAL**

### **3.1 Resources Committee Meetings, 19 June 2013**

An overview of the business of the meetings was presented along with an update of developments since the meeting:

- Following report at the last meeting of the Resources Committee of the anticipated out-turn for 2012/13 members were advised of further negative changes to the year-end position, with the deficit out-turn effectively doubling from that last reported. Expressing extreme disappointment at the changed position, there was consideration by the

Corporation of the main negative variance identified, concerning expenditure above profile on the use expensive interims pending recruitment to a high number of vacancies at senior levels. There was detailed discussion of the reason for the changed position. Acknowledged by Management that these particular, on-going variances should have been picked up much earlier, members were advised of shortcomings subsequently identified in the administration process concerning that particular budget-line. Re-iterating strongly for such a recurrence to be prevented in future, it was confirmed that the process issues were now being addressed. In response to questioning it was similarly confirmed that this would now also form the subject of review by the College Internal Audit Service to ensure robust identification and monitoring processes going forward.

- After the earlier submission of a capital bid Expressions of Interest and Detailed Application to the SFA, the College had been advised informally that the bid had gone forward for Ministerial approval, with the outcome to be advised on 19<sup>th</sup> July. Noting that that in the event of a positive outcome, formal Corporation approval would be required, members were advised of proposals for a special meeting of the Corporation to be convened in anticipation and as soon as possible following receipt of formal notification.

In the context of the current and forecast financial position consideration was then given to the prudence of making a staff pay award. Members were advised of the period since any pay award was last made and the need to formally recognise the significant contribution of staff to the successful Ofsted inspection outcome was acknowledged, particularly with the significant challenges that lay ahead.

After further discussion it was **RESOLVED** to:

- **APPROVE** the award of a 1% staff pay award from 1 August 2013 (2 abstentions)

Noting those items and associated recommendations appearing elsewhere on the agenda, the main formal items of business from the meeting were reviewed:

### **3.1a Draft Budget 2013/14 and Financial Forecast 2013 - 2016**

The 2013/14 Draft Budget and 2013-16 Financial Forecast were received.

Members were advised that a deficit budget for 2013/14 of £(2.8) million was proposed with plans for enabling the College to grow its way back to a sustainable financial position within a little over two years and for the forecast diminished cash flow to be covered by means of a bank loan during that period.

The rationale underpinning the budget, the budget assumptions and proposals for growth were summarised:

- Advising members of current data indicating the stemming of the decline of 16-18 learner numbers and the further significant growth opportunities ahead.

- Particularly anticipated income and the potential risks around take-up of 24+ learner loans, noting opportunities available to exceed budgeted income in other areas such as 16-18 apprentices and overseas fee income.
- Reporting that with the lagged learner nature of the funding methodology, the revenue impact of such growth was not forecast to be realised until 2014/15, and with cash flow therefore expected to diminish to a negative £(1) million closing balance, members were advised of proposals for the shortfall to be covered by way of a bank loan.

Reviewing the assumptions underpinning the 2013/14 budget, the predicted negative cash flow and proposed bank loan and the 2013-16 Financial Forecast, there was discussion of:

- The potential impact of the revised out-turn for 2012/13 noting that whilst challenging overall bringing the planned growth remained achievable but acknowledging potential action required in the event that plans would not come to fruition.
- The current learner number data for 2013/14, noting applications to date reported to be up around 50% compared with the same period, attributed to focused marketing and the emerging impact of improved success rates and the outcome of the Ofsted inspection. Acknowledging the data, members were advised of the focus on securing an equally improved conversion rate to actual enrolments.
- The proposed borrowing facility noting that Barclays Bank had offered a loan based on the College's changing cash needs resulting from the deficit 2013/14 budget, likely out-turn for 2012/13 and potential capital projects. In responses to questioning members were advised of the favourable terms offered with Bank interest rates remaining at an all-time low and confidence that loan repayments would be manageable.

After discussion, and on the recommendation of the Resources Committee, it was **RESOLVED** to **APPROVE**:

- The 2013/14 Draft Budget and the 2013-2016 Financial Forecast
- Both the establishment of an overdraft or revolving credit facility to cover working capital needs over the next two to three years, and a loan facility to cover the College's contribution to the new build project if required, together with re-financing of our existing loan.

### **3.1b Draft Capital Budget**

**See Minute 3.1**

### **3.1c Financial Regulations & Procedures**

A report was received outlining proposed amendments to the College Financial Regulations and Procedures, Tuition Fees and Refunds Policy.

It was reported that:

- There were no significant changes to either the Regulations or the Procedures, with those made housekeeping in nature or to address minor in-year procedural changes; organisational restructuring; funding body changes and changes in terminology.
- It had been planned to reduce or amalgamate the documents to eliminate duplication and make them easier to read but that more pressing issues had required attention and that this will now be done for 2013.

After discussion, and on the recommendation of the Resource Committee, it was **RESOLVED**:

- To **APPROVE** the updated Financial Regulations & Procedures.

### **3.1d Fees Policy**

A report was received outlining proposed amendments to the College Refunds & Fees Policy in the light of publication of new SFA funding rules and the latest competitive intelligence.

The main changes and other points of note were summarised and reviewed.

After discussion, and on the recommendation of the Resource Committee, it was **RESOLVED** to:

- **APPROVE** the Refunds & Fees Policy.

### **3.1e Bank Loan Request**

**See Minute 3.1a**

## **3.2 Curriculum, Quality & Standards (CQS) Committee Meeting, 12 June 2013**

An overview of the business of the meetings was presented. Noting those items appearing elsewhere on the agenda the recommendations regarding the main items of business from the meetings were reviewed:

### **3.2a Ofsted Inspection Report**

See Minute 1

### **3.2b Progress on Targets: Term 3 Update Report**

A report was presented summarising progress against target in respect of strategic objectives 2 and 3.

The report was noted.

### **3.2c Curriculum Strategy: Update Report**

A report was presented updating members on progress with the College's Curriculum Planning and Development Strategy.

The report was noted.

### **3.2d Community Engagement: Public Value Statement**

A report was presented advising members of its responsibilities regarding the publication of a public value statement and proposing a draft report for consideration.

Reminding members that the extent of the work and relationships developed in the Harrow community had been subject of discussion by the Corporation in February and July 2012, members were advised that the report presented previously had been updated to incorporate a Public Value Statement and the arrangements for obtaining the views of staff and students.

Noting that the Statement and report had been reviewed by the CQS Committee and on its recommendation, it was **RESOLVED** to:

**5.1.3 APPROVE** College Public Value Statement and report and **REQUEST** its publication as appropriate.

### **3.3 Audit Committee Meeting, 15 May 2013**

An overview of the business of the meetings was presented. Noting those items appearing elsewhere on the agenda the recommendations regarding the main items of business from the meetings were reviewed:

#### **3.3a Internal audit Reports**

A report was received summarising the overall outcomes and assurance levels of the reviews undertaken in accordance with the audit plan for the year, all of which members were advised had been the subject of review by the Audit Committee.

The report was noted.

#### **3.3b Internal Audit Strategy & Plan for 2013/14**

The Internal Audit Strategy and Plan for 2013/14 was presented.

Noting that it had been the subject of review by the Audit Committee, and on its recommendation, it was **RESOLVED** to:

- **APPROVE** the Internal Audit Strategy and Plan for 2013/14

#### **3.3c Joint Audit Code of Practice 9(JACOP) & Audit & Accountability Annex (The Annex)**

A report was presented updating members on the JACOP and on the Annex to the Foundation Code of Governance.

In the context of the Corporation's accountabilities and responsibilities, it was reported that the Audit Committee had considered:

- The flexibilities presented by the JACOP, particularly in respect of the removal of the mandatory requirement for an internal audit service. Whilst acknowledging the benefits of an internal audit service, the Committee reviewed both the extent to which the

current arrangements concluding for a formal review of the market to be undertaken during the next academic year.

- The Annex noting that as current practice was predominantly reflective of the provisions of the Code, its adoption was not considered unduly onerous and was recommended accordingly.

On the recommendation of the Audit Committee, it was **RESOLVED** to:

- **APPROVE** the retention of the current arrangements for an internal audit service for 2013/14 but with greater focus on reviews to maximise the business benefit for the College; and for the College to undertake a tender exercise in respect of this service during 2013/14.
- **ADOPT** the Annex to the Code.

### **3.4 Search & Development Committee Meeting, 26 June 2013**

An overview of the business of the meetings was presented. Noting those items appearing elsewhere on the agenda the recommendations regarding the main items of business from the meetings were reviewed:

#### **3.4a Reviewing Performance: Self-Assessment**

A report was presented advising members of the outcome of the review of the Corporation's self-assessment arrangements.

In the context of the sector's change in focus from evaluating compliance to a model reflecting more on the impact of discussion and decision-making, members were advised that it had been concluded that overall the current process was sufficiently robust to adequately demonstrate the impact and effectiveness of the Board's performance, subject to recommending some minor amendments to the associated documentation to better highlight the changed emphasis.

On the recommendation of the Search & Development Committee, it was **RESOLVED** to:

- **APPROVE** the proposal.

## **4 ITEMS FOR INFORMATION ONLY**

### **4.1 Items of Note from Resources Committee**

#### **4.1a May 2013 Management Accounts**

**See Minute 3.1**

#### **4.1b Capital Project – Expression of Interest Progress Report**

**See Minute 3.1**

### **4.2 Minutes of the Learner Voice Committee Meeting, 15 May 2013**

An overview of the business of the meetings was presented.

The report was noted.

#### **4.3 Clerk's Update: Corporation Performance against Target**

A report was received outlining progress with the Corporation's year to date performance against targets and current sector developments.

The report was noted.

#### **4.4 Minutes of the Health & Safety Committee**

The Minutes of the Health & Safety Committee were noted.

#### **4.5 Minutes of the Equality & Diversity Committee**

The Minutes of the Equality & Diversity Committee were noted.

#### **4.6 Safeguarding Learners Report**

The Safeguarding Learners Update Report was noted.

### **5. PRINCIPAL'S REPORT**

#### **5.1 Principal's Report & College Development Plan**

The Principal's Report and the Development Plan for the year was received.

The report and progress in the implementation of the objectives within the Development Plan for the year was summarised with members reviewing in particular the Student Council end of year report and local developments.

Following discussion, the report was noted.

### **6. OTHER BUSINESS, MEETING EVALUATION & DATE OF NEXT MEETING**

#### **6.1 Any Other Business**

There was none.

#### **6.2 Date of Next Meeting**

**5.30pm, Wednesday 16 October 2013**

#### **6.3 Meeting Evaluation**

Members completed the meeting evaluation forms and the meeting closed.