

**HARROW COLLEGE FURTHER EDUCATION CORPORATION
MINUTES OF THE MEETING OF THE CORPORATION
WEDNESDAY 15 OCTOBER 2014**

1. CORPORATION DEVELOPMENT SESSION

A presentation was received on the College 2013/14 Success Rates.

Summarising the context to and year-end position for 2013/14 there was review of the rates presented with the inclusion and exclusion of English and Mathematics and the position compared with 2012/13. Welcoming confirmation of and commending those areas of improvement there was further consideration of:

- 1.1 The 16-18 19+ Long success rates, which it was noted highlighted a particular issue at Level 3 in the former and Level 2 in the latter.
- 1.2 The data for English and Mathematics, which members were advised had been of surprise in respect of Mathematics in particular. Reviewing the data further and in response to questioning, it was noted to appear to be a cross-College issue requiring a focus of attention on teaching and learning and the need for a more flexible and individual approach to teaching based on greater understanding of each learner's abilities and motivations.
- 1.3 Those curriculum areas reported to have:
 - Improved, commending the work undertaken in achieving such positive results.
 - Declined, exploring the factors identified and attributed to the decline along with the range of actions being put in place
 - Remained unchanged, discussing the action that could be taken to stimulate further improvement

The Vice Principal was thanked for the presentation.

2. PRELIMINARY PROCEDURAL MATTERS

2.1 Attendance, Apologies for Absence, Welcome & Introductions

Membership:

Tracey Critchley		
Nick Davies	(Chair)	(Except Item 2.3.5)
Mark Eastwood		(Except Item 2.3.4, Chaired Item 2.3.5)
Sandra Ernstoff		
Tony Medhurst		
Kanwal Munir		
Steve Owen		
Manisha Raval		
Sachin Shah		
Elizabeth Warriner		

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

Apologies: Ketan Sheth
Mumtaz Van Der Vord
Antonio Weiss

2.2 Chair's & Clerk's Announcements

The student members were welcomed to the meeting and introductions were undertaken.

2.3 Board Business: Membership & Governance Arrangements

A report was summarising membership and governance arrangements requiring members' consideration.

Members were advised that

2.3.1 Currently, there were two vacancies in the category of independent member but that as search activity had yet to identify suitable candidates, recruitment remained on-going. It was reported however that one candidate, Mike Allen, was recommended by the Search & Development Committee as a co-opted member of the CQS and/or Learner Voice Committees.

2.3.2 In respect of the arrangements for Corporation Chair and Vice Chair:

- Following distribution of the Board papers and a subsequent expression of interest in the role from Mark Eastwood, Steve Owen had reconsidered his decision and indicated his wish not to be put forward for appointment as Vice Chair.
- Nick Davies has expressed interest in being considered for appointment as Corporation Chair.

It was **RESOLVED:**

2.3.3 On the recommendation of the Search & Development Committee, to **APPROVE** the **APPOINTMENT** of Mike Allen as a co-opted member of the CQS and/or Learner Voice Committees for a term of office of four years.

2.3.4 To **APPOINT** Mark Eastwood as Vice-Chair of the Corporation for a period of one-year with effect from 15/10/14

2.3.5 To **APPOINT** Nick Davies as Chair of the Corporation for a period of one- year with effect from 15/10/14

On behalf of the Corporation Steve Owen was thanked for his contribution during his time as Vice Chair of the Corporation.

2.4 Declarations of Interest & Confidential Items

Declarations of Interest were received from:

- 2.4.1 Sandra Ernstoff as a consultant for the EFA
- 2.4.2 Sachin Shah as a Councillor for Harrow Council
- 2.4.3 Steve Owen as an employee of Barclays Bank

It was **RESOLVED** for Item 6 to be taken as a confidential item.

2.5 Minutes of the Corporation Meetings, 9 July 2014 & Matters Arising

The Minutes of the Corporation Meeting held on 9 July 2014 were agreed as a correct record and signed by the Chair.

There was no Matters Arising.

3. ITEMS FOR FORMAL APPROVAL OR NOTING

3.1 Monitoring Performance: College Dashboard

The College Performance Monitoring Dashboard was presented.

Representing the first such report, providing an overview of the year-end position against the objectives for 2013/14 and year to date performance, there was particular consideration of:

3.1.1 Financial performance:

- Noting that whilst still subject to external audit, the out-turn for the Year-end 31 July 2014, before FRS17 pension adjustments, showed a year-end operating deficit of £(1,333)k, compared to budget of £(2,678)k. Welcoming confirmation that it represented a positive variance of £(1,345)k, it was reported that a positive cash balance had been maintained throughout the year, although it was acknowledged to result from capital grants in advance of related expenditure and funding advances from the SFA; and that the College had now agreed an overdraft facility with the bank for the 2014-15 financial year (See Minute 3.2.2c).
- Noting that based on its financial criteria, the College had received confirmation from the SFA of a "Satisfactory" rating but acknowledging the need to maintain focus on addressing the College's underlying financial performance and to meet the objectives within the Three-year Plan.
- Against EFA/SFA funding and learner number targets for 2014/15 based on year to date enrolment, confirming numbers for the former currently to be down on those predicted and those achieved in 2013/14. Observing success of the Three-year Plan to be predicated on achievement of the targets with little margin for differentiation, there was discussion of action being taken and planned and the potential risks to achievement by the year-end.

3.1.2 Curriculum and quality performance. Observing those items reviewed elsewhere on the agenda (Minute 1 refers) there was specific discussion of:

- The further work to be undertaken on improving student attendance.

- The self-assessment predictions for curriculum areas, noting that whilst it was anticipated for the majority of predictions to remain unchanged, there would be further review of the final position for Business upon conclusion of the self - assessment process.

3.1.3 The College capital projects, welcoming confirmation that both remained on time and on-budget.

3.1.4 The human resources data, noting the information provided and requesting for the inclusion of sickness absence data for the next report.

Following discussion, and after commending the work of management in the achievement the improved year-end financial out-turn, the report was noted.

3.2 Reports on and Recommendations from Committees

3.2.1 Summary of & recommendations from the Search& Development Committee, 08/10/14

An overview of the business of the meetings was presented noting those items appearing elsewhere on the agenda for information and reviewing the recommendations regarding the main items of business:

3.2.1a Governance Development Plan 2013/14 and 2014/15

A report was received summarising the year-end position in the implementation of the 2013/14 objectives and presenting the objectives proposed for 2014/15

Reviewing the objectives proposed for 2014/15, members were advised that the Plan was presented for approval subject to the recommendation for Objective 2.2 to be amended to “park” the objective regarding the use of technology in meetings in order to focus attention on more immediate priorities; and for the matter to re-considered at a later date.

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

- **APPROVE** the Plan for 2014/15 with the amendment proposed.

3.2.2 Summary of & recommendations from the Resources Committee, 08/10/14

An overview of the business of the meetings was presented noting those items appearing elsewhere on the agenda for information and reviewing the recommendations regarding the main items of business:

Re: Academic Year 2013/14:

3.2.2a Year-end 31 July 2014 – Draft Annual Accounts

See Minute 3.1

3.2.2b Asset Disposal

A report was presented following up on and seeking approval of proposals for the disposal of assets considered surplus to requirements.

Acknowledging the proposals to be in-line with the objective included within the approved three year plan not only to improve College financial health but also to provide necessary

capital for reinvestment in further estates improvement, there was more detailed review of the proposals in the context of:

- The curriculum and likely future capacity requirements, noting that completion of the current capital projects would provide flexibility for the relocation or reconfiguration of elements of the curriculum freeing up space and presenting other opportunities for sale/redevelopment of the estate.
- The College's recently submitted Expression of Interest to the London Local Enterprise Panel, bidding for capital investment to develop a £5 million state of the art Health and Social Care facility at Harrow Weald (Minute 3.3 refers).
- Interest currently shown in the estate, the options for disposal and the need to realise the maximum possible value from any disposal.

There was discussion:

- Of the potential uses of the estate and the relative ease with which it could be put to alternative with its Green Belt location and any potential impact in respect of site access, noting the need for Highways expert opinion regarding site access in advance of any disposal
- Of the potential realisable value of any disposal in terms of how any sale proceeds would need to be applied and the achievement of planning consent, noting in respect of the latter that whilst generally the lower risk alternatives would be the quickest to implement these would also return the lowest value to the College; and noting that strategies in this regard had been the subject of discussion by the Resources Committee.
- In the context of ensuring compliance with the College Financial Regulations, of the proposal for Gerald Eve to be instructed to act on behalf of the College to facilitate any such disposal without first testing the market. It was reported that the Financial Regulations ordinarily did require for competitive quotations to be obtained in order to be satisfied that competitive value for money had been effectively secured whenever feasible and cost effective to do so. It was noted however that the requirement could be waived in special circumstances where to do so made it undesirable to seek alternative quotations. In response to questioning members were advised that in these particular circumstances the unique expertise, experience and professional reputation of the proposed agents were considered critical in helping the College in advising on and to realising the maximum possible value from any disposal.

On the recommendation of the Resources Committee, it was **RESOLVED:**

- To **APPROVE** the proposal for the College to commence the disposal of Austen Building and parts of the car park and North Field, together with the South Playing Field should a development opportunity arise; and
- To **APPROVE** the proposal for Gerald Eve to be instructed to act on behalf of the College to facilitate any such disposal without recourse to competitive quotations endorsing the conclusion that special circumstances were applicable in these circumstances.

3.2.2c Bank Loan

There was produced to the meeting a document containing the commercial terms of a facility as well as standard terms (together the Facility Agreement) from Barclays Bank Plc (The Bank) to the Borrower setting out the terms and conditions upon which the Bank is prepared to make available to the Borrower a term loan facility (The Facility) in the maximum sum of £3,161,000.

Reviewing the details of the loan terms, conditions and associated documentation, it was confirmed that the special conditions negotiated by the College represented the best deal available with reporting requirements and other terms broadly in line with those presently in place for the College's existing loan. In response to questioning, members were advised:

- That the College has taken independent legal advice
- Of the financial covenants, discussing the extent of any potential breaches and the mechanisms in place to mitigate against such an occurrence
- That the loan had been secured against Harrow Weald campus and was capped at 25% of the property value.

Following discussion and on the recommendation of the Resources Committee, it was **RESOLVED:**

- That the borrowing by the borrower of up to the full amount of the Facility on the terms and conditions set out in the Facility Agreement is in the interests of and for the benefit of the Borrower and is most likely to promote the success of the Borrower for the benefit of the members as a whole and that such terms and conditions be and are approved and accepted.
- That the Borrower has considered whether it needs to obtain professional independent advice (legal, financial or otherwise) prior to resolving to enter into the facility agreement and (whether on the basis of such advice or otherwise) it has made its own independent decision to enter into the Facility Agreement and understands the terms, conditions and risks involved, including without limitation, the circumstances in which fixed rate breakage costs (or other payments) may be payable in accordance with, and as defined in the Facility Agreement.
- That Judith Abbott and Pat Carvalho are authorised to sign the Facility Agreement on behalf of the Borrower to indicate acceptance of the terms and conditions
- That the Bank is authorised to act in all matters concerning the Facility upon instruction from the Borrower signed in accordance with the Bank's mandate for any of the accounts of the Borrower held with the Bank from time to time.

Re: Academic Year 2013/14:

3.2.2d Enrolment 2014/15: Progress Report

See Minute 3.1

3.2.2e Sub-Contractor & Partnership Provision 2014/15

A report was received summarising the year-end position in respect of the College's sub-contracted and partnership provisions for 2013/14 and outlining the provision planned for 2014/15.

After discussion, it was **RESOLVED**:

- **APPROVE** the Sub-Contractor & Partnership Provision arrangements for 2014/15

3.2.3 Summary of & recommendations from the Property Committee Meeting, 08/10/14

An overview of the business of the meetings was presented and the substantive items for consideration presented:

3.2.3a Harrow on the Hill Projects: Business Enterprise Centre & Laboratory Refurbishment

Prepared by Project Managers, AA Projects, the Highlight Reports for the Business Enterprise Centre and Laboratory Refurbishment Projects were presented along with an oral update on further subsequent developments.

Progress was summarized welcoming confirmation that the project remained on track for completion by 28 August 2015 and in-line with the revised budget and the bank loan. There was particular consideration of the most significant of the developments and the potential implications, which concerned the planners' issue with the changing the finish from cladding to render included in the submission of the revised planning application for 'minor materials amendments' following value engineering. Members were advised that discussions were on-going and that it was hoped for a resolution shortly.

Following discussion, the report was noted.

3.2.3b Harrow Weald – LLDD Building Project

The Highlight Reports for the LLDD Building project was received along with an oral update on developments following circulation of the papers.

After noting progress was there was particular discussion of the proposal to appoint Hutton as building contractors for the LLDD building, and AA Projects/IBI Group to undertake the Master Plan for the Weald site, reviewing the latter in the in the context of ensuring compliance with the College Financial Regulations. It was reported that the Financial Regulations again did require for competitive quotations to be obtained in order to be satisfied that competitive value for money had been effectively secured. Members were advised however, that it was recommended for the requirement to be waived, suggesting that special circumstances existed where to do so made it undesirable to seek alternative quotations. The unique expertise, experience and professional reputation of the AA Projects was acknowledged to be critical in helping the College in advising on and realising the Master Plan for the Weald site.

Following discussion and on the recommendation of the Property Committee, it was **RESOLVED**:

- To **APPROVE** the proposal for AA Projects to be instructed to undertake the Master Plan for the Weald site without recourse to competitive quotations, endorsing the conclusion that special circumstances were applicable in these circumstances.

3.3 Clerk's Report

The Clerks' report was received updating members on the latest national governance developments and activities.

The report was noted.

3.4 Minutes of the Health & Safety and Equality & Diversity Committees

The Minutes of the Health & Safety and Equality & Diversity Committees were received and noted.

4. PRINCIPAL'S REPORT

4.1 Principal's Report & College Development Plan

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

After reviewing progress in the implementation of the the KPIs, the Report was considered, noting national and local policy developments, including:

4.1.1 Uncertainties about EFA and SFA 2015/16 funding allocations and the expectation of cuts to the adult budget to be in line with those previously announced and contained in the College 2 year plan.

4.1.2 The expectation for Ofsted to shortly commence consultation on their 2015 inspection framework and a likely suggestion of a single framework spanning the age range from early years to schools, learning and skills.

4.1.3 The risk to which the College was exposed in respect of its Highly Trusted Status (HTS) following:

- Instances of the Home Office suspending universities' HTS and removing it entirely from more than 50 private colleges.
- An announcement from the Prime Minister that any college or university that had 10% of its student visa applications refused would lose its Highly Trusted Status. Advising members that with a current level of 20%, the College would need to exercise caution when considering overseas applications, the impact was noted of a slowdown in recruitment in that area of activity.

4.1.4 An update on international activities and developments.

Following discussion, the report was noted.

5. OTHER BUSINESS, MEETING EVALUATION & DATE OF NEXT MEETING

5.1 Any Other Business

There was none.

5.2 Date of Next Meeting

Corporation Meeting, Wednesday 17 December 2014

5.3 Meeting Evaluation

Members completed the meeting evaluation forms and the meeting closed.