

1. CORPORATION DEVELOPMENT SESSION: COLLEGE ESTATE STRATEGY

Forming a condition of planning consent for the LLDD Building, for the College to submit a Master Plan for the Harrow Weald site to the Council planners by 31 December 2014, the College Estate Strategy was presented. Members were advised that:

1.1 In preparing the Strategy workshops held had been held, attended in part by:

- The Goodman Group, to facilitate a 'phase 2' master plan for an Intergenerational Campus to be overlaid to the plan at a later stage.
- Two junior members of the Council planning department who, understanding both the need to protect space for a further LLDD building in future and the benefits of locating the Health and Social Care Building on the car park, whilst broadly supportive expressed reservations about the future development for STEM, but recognised that such plans were some way off.

1.2 Following concerns expressed by Council planners about building in the Green Belt, a very strong educational case had been drafted to substantiate "Very Special Circumstances" to support the College plans and address why Health and Social Care could not just be located within the Austen Building.

1.3 In-line with the College's identified strategic objective for more immediate and longer-term growth, the proposals for which had been the subject of report previously, the Plan outlined the College strategy for and education case in respect of:

- Learners with Learning Difficulties and Disabilities (LLDD) provision
- Health and Social Care; and
- Sports and Science, Technology and Mathematics (STEM)

In the context of the Plan there was particular discussion of the extent of interest in and the range of options available for the disposal of the Austen Building and any potential impact on the achievement of best value the options presented. *See also Minute 3.2.4c*

2. PRELIMINARY PROCEDURAL MATTERS

2.1 Attendance, Apologies for Absence, Welcome & Introductions

Membership: Tracey Critchley
Nick Davies (Chair)
Mark Eastwood
Tony Medhurst
Kanwal Munir
Manisha Raval
Sachin Shah
Mumtaz Van Der Vord
Elizabeth Warriner
Antonio Weiss

(From 3.2.4)

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

Apologies: Sandra Ernstoff
Steve Owen

Absent: Ketan Sheth

2.2 Chair's & Clerk's Announcements

There were no announcements.

2.3 Declarations of Interest & Confidential Items

Declarations of Interest were received from Sachin Shah as a Councillor for Harrow Council and it was **RESOLVED** for Item 6 to be taken as a confidential item.

2.4 Minutes & Matters Arising

2.4.1 Minutes of the Corporation Meetings, 15 October 2014

The Minutes of the Corporation Meeting held on 15 October 2014 were agreed as a correct record and signed by the Chair.

2.4.2 Matters Arising: Bank Loan Minute (3.2.2c)

There was produced to the meeting a formal document relating to the legal charge to be entered into with the Bank, omitted from those presented to the Corporation at its 15 October 2014 meeting, for which formal, retrospective approval was required as part of the agreed commercial terms for the loan facility agreement.

It was noted that the Borrower entered into a facility agreement (the Facility Agreement) with Barclays Bank PLC (the Bank) which set out the terms and conditions upon which the Bank makes available to the Borrower a term loan facility (the Facility) in the maximum principal sum of £3,161,000. It was further noted that pursuant to the Facility Agreement, the Borrower was required to enter into a legal charge (the Legal Charge) under which it charged its property known as land and buildings at Harrow College, Harrow Weald Campus, Brookshill, Harrow, Middlesex HA3 6RR as security for its obligations under the Facility Agreement.

It was **RESOLVED:**

2.4.1 That the entry by the Borrower into the Legal Charge 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 as it will ensure that the Bank is able to advance loans to the Borrower and that the Legal Charge be approved and accepted.

2.4.2 That in accordance with the Borrower's instrument and articles of government, the Legal Charge shall be executed by the application of the Borrower's seal and authenticated by the signature of the Chair, Nicholas Davies, and any other member of the Board of Governors.

2.4.3 That the Bank is authorised to act in all matters concerning the Facility Agreement and Legal Charge 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 current from time to time.

3. ITEMS FOR FORMAL APPROVAL OR NOTING

3.1 Monitoring Performance: College Dashboard

The College Performance Monitoring Dashboard was presented.

Representing the second report of the autumn term, confirming both 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, observing those items reviewed elsewhere on the agenda (Minutes 3.2.2b and 3.2.3c refer) and noting:

- Confirmation of a year-end operating deficit before FRS17 pension adjustments of £ (1,538) k compared to budget of £ (2,680) k, representing a positive variance of £1,142k, and operating deficit of £ (1,596) k after FRS17 adjustments.
- Reports that the year to date position showed a favourable variance versus year to date budget, attributed in part to positive timing differences.
- Whilst risks to achievement of the full year target were ongoing, these were balanced by opportunities with the College currently remaining on-track to achieve the full year budgeted out-turn of £ (100) k deficit.

3.1.2 Curriculum and quality performance, observing those items reviewed elsewhere on the agenda (Minute 3.2.1b refers) and:

- Welcoming confirmation of the achievement of the autumn term targets for attendance and retention.
- Acknowledging the self-assessment judgments confirmed for curriculum areas, noting the particular issues highlighted with performance at Level 2 with 16-18 learners and Level 5 learners, albeit members were advised the data in this respect of the latter concerned a very small cohort of learners.
- Noting discussions that had taken place at CQS Committee concerning Business Base and Maths the impact of issues identified with long qualifications, forming the basis for the Grade 3 judgement.

Following discussion the report was noted.

3.2 Reports on and Recommendations from Committees

3.2.1 Summary of & recommendations from the Curriculum, Quality & Standards Committee, 10/12/14

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 Corporation Self-Assessment Report

A report was received advising members on the process and outcome of governance self-assessment for 2013/14, the conclusions of which it was noted contributed to the leadership and management element of the College's Self-Assessment Report.

The key strengths and areas identified for improvement were summarised. It was noted that a Grade 2, Good, was proposed as a contributory grade towards the College's overall grade for leadership and management.

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

- **APPROVE** of the Corporation SAR 2013/14 and the Contributory Grade towards leadership and management, Grade 2.

3.2.1b College Self-Assessment Report

The draft College self-assessment report was presented.

The SAR report commentary and the overall and subject sector grades were summarised advising members that having reviewed internally the full academic performance for year, the College continuing to concur with the Ofsted judgements as to why the College was "Good" but not yet "Outstanding".

Members were advised that although amendments had been made to the report following review by the CQS Committee one issue remained requiring further discussion by the Corporation, concerning the proposed grade 2 "Good" for Outcomes for Learners, and the extent to which the grade was justified and supported by the data profile notwithstanding the overall direction of travel.

Consideration was given to the extent to which it could be considered that particular aspects of the data profile undermined the evidence in support of the grade proposed:

- Recognising, in the context of increasing significance and attention by Ofsted, the importance of and necessity for the closing of the achievement gap in such cases.
- Discussing the proportion of learners within those groups of concern compared with national averages, noted to be particularly Black/Caribbean learners, and the potential impact both on the data profile in its totality and the associated conclusions and judgements.
- Reporting that of those curriculum areas assessed as Requiring Improvement, Business, Construction and Functional Maths, further analysis of the data identified a greater proportion of learners from such groups concentrated in those curriculum areas, suggesting a correlation with and reflective of the particular issues highlighted in those areas. It was confirmed that all were the focus of management attention and action, including the reduction in provision until outstanding issues had been addressed.
- Reflecting on the profile overall, noting the fourteen of nineteen curriculum areas judged to be good or better with ESOL and Entry assessed as Outstanding.

Acknowledging the importance of and need for consistency in achievement across the College and for all groups of learner and after detailed consideration, it was:

- **REQUESTED** for the issues identified and discussed to remain the focus of monitoring by the CQS Committee.
- **RESOLVED** to **APPROVE** the College SAR for 2013/14 and the grades proposed.

3.2.1c Quality Improvement Strategy

A report was presented outlining proposals for a complete review of the College's Quality Improvement Strategy following the securing of the Ofsted Grade of "Good".

In the context of the strategic objective for attainment of Ofsted Outstanding" it was noted that it was proposed for the revised Strategy to outline the "learner journey" and provide a descriptor of all the college's processes, for which "Gold Standards" would be provided, then representing the College's definition of excellence and accompanied by an action plan in order to allow the monitoring progress towards the achievement of these Standards.

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

- **APPROVE** the proposal for a re-write of the Quality Improvement Strategy

3.2.2 Summary of & recommendations from the Audit Committee, 3 December 2014

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:

3.2.2a Internal Audit Annual Report 2013/14

The 2013/14 Annual Report of the former Internal Audit Service was received covering the period from 1 August 2013 to 31 July 2014, undertaken in accordance with the internal audit plan previously approved by the Corporation.

It was reported that it was the opinion of the IAS that it was satisfied that sufficient internal audit work had been undertaken to allow it to draw a reasonable conclusion on the adequacy and effectiveness of the College's arrangements; and that in its opinion the College had adequate and effective governance, risk management and control processes to manage the achievement of its objectives

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

- **APPROVE** the Internal Audit Annual Report 2013/14

3.2.2b Draft Financial Statements, Audit Management Report & Letter of Representation for the Year-ended 31/07/14

The draft Financial Statements, Audit Management Report and Letter of Representation for the Year-ended 31 July 2014 were presented.

Following audit, it was confirmed that the College achieved a year-end operating deficit before FRS17 pension adjustments of £ (1,538) k compared to budget of £ (2,680) k, a positive variance of £1,142k, and an operating deficit of £ (1,596) k following FRS17 adjustments.

In advance of and to allow submission to the College funding bodies in accordance with its 31 December 2014, members were advised that the draft Financial Statements & Annual Report, the Audit Highlights Memorandum & Management Letter, Regularity Audit Opinion and Letter of Representation had been consideration by the:

- Audit Committee, which reviewed the documents in the context of the Auditors' unqualified audit opinion confirming that:
 - i. The accounts provided a true and fair view of the state of the affairs of the College as at 31 July 2014 and of the College's income and expenditure, recognised gains and losses and cash flows for the year then ended; and had been properly prepared in accordance with the appropriate accounting standards
 - ii. The College's Statement on Regularity, Propriety and Compliance was fairly stated in respect of whether the transactions underlying the College's financial statements were in all material respects regular for the year ended 31 July 2014.

- Resources Committee, which reviewed the College's income and expenditure, recognised gains and losses and cash flows for the year forming the basis of the year-end financial position and comprising the financial results contained within the Financial Statements & Annual Report.

On the recommendation of the Audit and Resources Committees it was **RESOLVED**:

- To **APPROVE** the draft Financial Statements, Audit Management Report and Letter of Representation for the Year-ended 31 July 2014.

3.2.2c Risk Management Update

The risk management update was received.

The key changes were summarized and noted.

3.2.2d Audit Committee Annual Report 2013/14

The Audit committee Annual Audit Report 2013/14 was presented summarising the activity of the Committee during the year and advising the Board on the adequacy of the operation of the internal control systems in the College.

Reviewing the report there was consideration of those items presented at the meeting relating to the 2013/14 year-end, endorsing the view that they represented a fair assessment of the state of the College's financial and internal control systems and the extent to which they could be relied upon at the time of audit.

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

- **APPROVE** the Audit committee Annual Audit Report 2013/14.

3.3.3 Summary of & recommendations from the Resources Committee, 03/12/14

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:

3.3.3a Draft Financial Statements & Audit Management Report for the year-ended 31 July 2014

See Minute 3.2.2b

3.3.3b Fees & Refunds Policies 2015/16

The Fees & Refunds Policies for 2015/16 were presented, which it was confirmed had been reviewed and that no changes were proposed.

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

- **APPROVE** the Policies for 2015/16.

3.3.3c Management Accounts (for October 2014)

The Management Accounts for the year to date October 2014 were presented.

It was reported that the income and expenditure for October 2014 showed a surplus of £2,212k, £116k better than year to date budget and that following production of the Management Accounts for November 2014, the position remained substantially unchanged.

Whilst reporting positive news in terms of higher SFA income to date versus budget, reflecting the final allocation being higher than originally advised and higher than budgeted payments for ESOL Mandated, it was noted that areas of genuine concern remained, particularly around fee income.

There was discussion of those areas identified to be of concern, including:

- Noting the significant negative impact of the UKBA criteria changes, on the College's capacity to recruit International students that would have a negative impact on full year out-turn, which had been highlighted in the risks and opportunities profile and incorporated into the reforecast budget.
- Domestic fee income, particularly 24+ Level 3 learner loans where changes in entry requirements to Access courses had impacted negatively on the College's core demographic of learners. It was noted that whilst the College was exploring the use agents to find learners for enrolment in January/February to mitigate the shortfall, it remained a risk that would need to be reflected in the reforecast budget.
- The ERDF Gateway Asia project, reported to be significantly behind schedule and yet to generate any income. It was reported that the project team remained optimistic that this would be brought back on track, attributing the position to timing differences, confirming that the situation would be closely monitored ahead of the reforecast budget.

The report was noted.

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

Antonio Weiss joined the meeting at this point.

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

3.2.4a Harrow on the Hill Projects: Business Enterprise Centre

Prepared by Project Managers, AA Projects, the Highlight Reports for the Business Enterprise Centre Project were presented.

Progress was summarised, welcoming confirmation that the project remained on track for completion by 24 August 2015 in-line with the revised budget and noting the most significant of the key issues and risks identified.

Following discussion, the report was noted.

3.2.4b Harrow Weald – LLDD Building Project

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

Progress was summarised, welcoming confirmation that overall project costs were within budget with practical completion expected for 28 August 2015 and noting the most significant of the key risks identified.

In addition, and following on from the report at the last meeting regarding potential future capital projects, members were advised of the acceptance by the LEP of the College submission of its Expression of Interest for funding from Further Education Capital Investment Fund for a state of the art Health and Social Care facility at the site. Reporting that the submission of a full proposal was invited by the end-January 2015 members were advised that the Committee recommended for the Corporation to approve the proposal for the preparation of and submission to the LEP of a full bid for grant funding.

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

- **APPROVE** the proposal for the preparation of and submission to the LEP of a full bid for grant funding.

3.2.4c Estate Master Plan

See also Minute 1

After acknowledging and commending the work invested by both the Senior Management Team in the production of the Plan and the Estate Manager in the effective and successful oversight and management of the College estate during the building projects, it was **RESOLVED** to:

- **APPROVE** the Estate Master Plan.

3.2.5 Summary of & recommendations from the Learner Voice Committee Meeting, 10/12/14

An overview of the business of the meetings was presented noting:

- The Committee's recommendation regarding approval of its Annual Report and proposed amendments to the Committee's Term of Reference (Minute 3.5.1 refers)
- The discussions with the student members of in-year monitoring reports, focusing on the learner experience of induction and the quality of teaching and learning in the context of the College's annual objective for the year, including from Departments summarising feedback from the College autumn term learner voice feedback sessions and the findings of the national First Impressions Survey, which highlighted satisfaction levels similar to previous year with Level 3 students mainly as satisfied as Level 2.
- Feedback from the student representatives on the elections for and activities within the Student Union and Student Council.

The report was noted.

3.3 Annual Health & Safety Report

The Annual Health & Safety Report was received and 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.

3.5 Clerk's Updates

Reports from the Clerk to the Corporation were received:

3.5.1 Governance Arrangements & Year-to-date Performance: Autumn Term Update

Progress was noted in the latest review of aspects of the Corporation governance arrangements, the implementation of the objectives in the Governance Development Plan.

After requesting, by way of reminder to members, for the Clerk to the Corporation to issue electronic invitations for meetings for the remainder of the year, the report was noted and it was **RESOLVED** to:

- **APPROVE** the proposed amendments to the Committee Terms of Reference.

3.2b National Governance Arrangements

A report was presented updating members on the most recent national governance developments, publications and development activities.

Reviewing in particular the Annual Report of the FE Commissioner, there was reflection on the findings from intervention visits undertaken over the last year.

Noting the breadth of the issues considered, the cumulative impact was acknowledged of individual factors which prima facie appeared inconsequential but which could lead to criticism of and cast doubt upon capacity and capability in the delivery of improvement.

The report was 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 In respect of policy issues that whilst the current Ofsted framework no longer made provision for limiting grades the most recent inspection reports supported the notion that the approach to reviewing the performance of English and Maths effectively had the same effect; and the announced of an additional SFA funding cut for 2015/16.

4.1.2 The work on the College Gold Standards

4.1.3 Progress in the development of the College's international activities.

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 Conference, Friday 30 January 2015

Corporation Meeting, Wednesday 25 March 2015

5.3 Meeting Evaluation

Members completed the meeting evaluation forms and the meeting closed.