

**HARROW COLLEGE FURTHER EDUCATION CORPORATION
MINUTES OF THE MEETING OF THE CORPORATION
WEDNESDAY 14 OCTOBER 2009**

1. CORPORATION DEVELOPMENT SESSION

A presentation was received from the Director of Learner Services on safeguarding learners.

Members were advised of:

- The statutory framework and definition of safeguarding, which it was noted was responding to the every child matters agenda; along with the differing types of violence and abuse.
- The College's policy and systems in place; and how it was responding to the new Ofsted inspection framework with its new emphasis on safeguarding.
- The role of the Corporation and its responsibilities.

There was a discussion of the systems that the College had in place; and it was noted that the College's policy would be the subject of annual review and report.

The Director of Learner Services was thanked for an interesting and informative presentation.

2. PRELIMINARY PROCEDURAL MATTERS

2.1 Attendance, Apologies for Absence, Welcome & Introductions

Membership:	John Cowan		
	Rosy Crehan		
	Anna Kyprianou		(From item 3.3)
	Gillian Eldridge		
	Sandra Ernstoff		
	Alf Filer		(Until item 7)
	Philip Harding	(Chair)	
	Niki Joshi		(Until item 7)
	Tony Medhurst	(Principal)	
	Gill O'Brien		(Until item 7)
Patrick O'Dwyer			

In attendance:	Pat Carvalho	
	Jayne Chaplin	(Clerk)
	John Cudmore	

Rena Prindiville
Bob Vesey

Apologies: Steve Marsden
Ketan Sheth

On behalf of the Board, the Chair welcomed the new members to their first meeting.

2.2 Chair, Clerk's Announcements

There were none.

2.3 Board Business

2.3.1 Appointment of New Members

Members were advised of the current Board vacancies. It was noted that the Search & Development had recently considered an application from a candidate and a recommendation regarding appointment was made accordingly.

After consideration, and on the recommendation of the Search & Development Committee, it was **RESOLVED** to **APPROVE** the appointment of:

2.3.1.1 Mr Nick Davies in the category of external (independent) member for a four-year term of office from 14 October 2009.

2.3.2 Appointment of Vice Chair

A report was received regarding the appointment of a new Vice Chair.

It was reported that the current Vice Chair, Gillian Eldridge, had submitted her resignation as a member and as Vice Chair; to take effect after the October 2009 Corporation meeting.

It was noted that appointment was through a process of nomination.

After discussion it was agreed that the process was to be deferred to the December meeting and that in the meantime the Committee chairs would provide support as and when needed.

2.3.3 Corporation Committee Changes

A report was received advising members of proposed committee membership changes.

It was noted that following the most recent changes in membership, it had been necessary to revisit the committee memberships agreed at the July 2009 meeting. The revisions proposed were considered and after discussion it was **RESOLVED** to:

2.3.3.1 **APPROVE** the revised committee memberships as outlined.

2.4 Declarations of Interest, Confidential Items

It was **RESOLVED** that the staff and student members would withdraw for item 7 in accordance with the Corporation confidentiality policy.

2.5 Minutes of the Last Meeting

The minutes of the Meeting held on 15 July 2009, were agreed as a correct record and signed by the Chair.

2.6 Matters Arising

Curriculum Links (Minute 2.4.2)

Following on from the item reported at the last meeting regarding the development of members' links with curriculum areas, members were advised to contact the Clerk to make the appropriate arrangements.

3. ITEMS REQUIRING FORMAL APPROVAL OR ADOPTION

3.1 Post Inspection Feedback

A verbal report was received advising members of the outcome of the recent Ofsted Inspection.

It was reported that overall the outcome of the inspection had been pleasing with a fair and reasonable approach undertaken by the inspectors; and with the areas where recommendations had been made reflecting those already identified by the College.

It was noted that the report remained confidential until publication in mid-November and that a post-inspection action plan would be in place, progress against which would be monitored by the Curriculum, Quality and Standards Committee.

Tribute was paid to all those who participated; and in particular the Vice Principal, as the College Nominee, for all her efforts on behalf of the College, Governors, staff and learners.

3.2 Minutes & Recommendations from Committees

3.2.1 Search & Development Committee, 23/09/09

The Committee Chair provided a verbal summary of the business that had been discussed at the Committee's 23 September 2009, including:

3.2.1.1 A report updating members on key membership and diversity matters from which it was reported that:

- The LSC set 70% as a reasonable attendance figure, although the Board's attendance target for 2008/09 had been a stretch target of 75%; but that the Board had achieved an overall attendance figure of 60%, not meeting its own target or the sector benchmark; and representing a 15% decrease on the 75% attendance rate reported for 2007/08.

- Overall attendance at College events was 29% for the year, 21% less than the targeted impact measure of 50% of the membership outlined in the 2008/09 Governance Development Plan. The importance of attending wherever possible was re-iterated.
- Details of the Board diversity profile, which had also included data in respect of College staff and students for the purposes of considering the degree to which the Board reflected the internal College community.
- The Board skills profile had been updated; and that it was proposed that future recruitment should focus on seeking expertise in financial management/accountancy and education/curriculum experience.

3.2.1.2 A report on the Corporation Standing Orders; about which it was noted that no further changes were proposed.

3.2.1.3 A report summarising the progress in the implementation of the objectives for further developing good governance within the College for 2008/09; and outlining the plan for 2009/10.

3.2.2 Search & Development Committee Annual Report

The Annual Report for the Search & Development Committee was received outlining the work of the Committee during the period 1 August 2008 to 31 July 2009.

Members were advised that the report summarised the highlights of the business considered by the Committee during the year.

After discussion and on the recommendation of the Search & Development Committee it was **RESOLVED** to:

3.2.2.1 **APPROVE** the minutes of the meeting and the recommendations contained therein; and

3.2.2.2 The Committee's Annual Report for 2008/09.

3.3 Verbal update and recommendations from the Resources Committee, 07/10/09

The Committee Chair provided a verbal summary of the business that had been discussed at the Committee's 7 October 2009, the majority of which appeared elsewhere on the agenda; and:

3.3.1 Resources Committee Annual Report

The Annual Report for the Resources Committee was received outlining the work of the Committee during the period 1 August 2008 to 31 July 2009.

Members were advised that as the Property & Accommodation Committee had now been dissolved, the report had included a summary the business conducted by that Committee during the same period; along with the highlights of the business considered by the Resources Committee.

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

3.3.1.1 **APPROVE** the Committee's Annual Report for 2008/09.

3.3.2 Resourcing: Update Report

An update on the staff restructuring was received.

It was noted that the reorganisation of the College management structure and staffing had now taken place and that, where required, the redundancy process had been undertaken in line with the College's redundancy policy and legal requirements.

It was reported that there had been anticipated saving on established staff costs 2009/10 of £1million.

It was **RESOLVED** to:

3.3.2.1 **NOTE** the report.

3.4 Governance Development: Safeguarding Learners – Criminal Records Bureau Checks & Volunteers

A report was received on safeguarding learners and proposals for amendments to the College's CRB checking arrangements.

It was reported that corporations must ensure that their statutory duties are fulfilled, such as those for safeguarding, disability, and health and safety; and that the College had established the necessary systems and procedures that were required.

It was noted that:

3.4.1 Guidance about the legal requirements to CRB check volunteers, had in general terms, placed no legal requirement to CRB check volunteers unless the volunteering took place in a "regulated" setting; and then only when the volunteer had regular contact with vulnerable adults or children.

3.4.2 On that basis, as to date Board members' direct contact with learners had been very limited, it had been policy not to include Board members within the College CRB checking arrangements.

3.4.3 Following recent legislative changes, the new focus underpinning the inspection process; and the College's introduction of the new governor link programme, the College's arrangements in respect of governors had been reviewed.

3.4.4 In reviewing the College's arrangements, it was recognised that the introduction of the new initiatives would place members in more direct contact with learners than has been the case previously; and that to ensure that the College's arrangements remained in accordance with best practice it was

proposed to include Board members within the College's CRB checking arrangements.

There was a discussion of the proposed changes and it was **RESOLVED**:

3.4.5 To **APPROVE** the proposal to include governors in the College's CRB checking arrangements.

4. OTHER ITEMS REQUIRING ENDORSEMENT, NOTING OR PRESENTED FOR INFORMATION ONLY

4.1 Enrolment Update Report

A report was received providing the current position on enrolments for 2009/10.

With regard to the progress against targets, it was reported that:

4.1.1 Although recruitment to College programmes for 16-18 year old students was below target it was a significant improvement compared to the same period in the previous year last year. It was noted that the College was confident of achieving targets with enrolment continuing and plans in place for further programmes to start in November and January.

4.1.2 The gap of just over 900 19+ students, although typical at this time of year, was slightly higher than anticipated but that there were a number of full-time and part-time programmes commencing later in the year that it was expected would address the gap.

4.1.3 After experiencing a year on year reduction of £150k in Employer Responsive funding, there would be no recruitment of new learners until after 1 April 2010 due to the re-profiling of payments and cuts in funding.

4.1.4 Additional learner support was still being recorded and that as a result the financial data was currently unavailable.

4.1.5 The College had lower targets for both numbers and funding in relation to apprenticeship programmes and that initial recruitment had given cause for concern. It was noted that careful monitoring processes would be carried out to ensure targets were achieved.

After discussion it was **RESOLVED** to:

4.1.6 **NOTE** the report.

4.2 Draft Annual Accounts 2008/09

The 2008/09 draft Annual Accounts were presented, which had been the subject of consideration by the Resources Committee at its last meeting.

It was reported that for 2008/09 a budget had been approved that showed an operating surplus of £80k excluding the impact of FRS17. It was noted however that,

although the position remained subject to the outcome of financial statements audit, the current best estimate of the predicted out-turn for 2008/09 was for an operating deficit of £1.23million, including the impact of FRS1; which it was noted had resulted in a positive adjustment of £127k.

Members were advised that the exceptional item of report for 2008/09, as instructed by the LSC, was the writing off of costs associated with the now aborted property project.

It was reported that:

- 4.2.1 The best view of the costs was that these would amount to a net £9.680 million, after applying capital grant support of £920k, resulting in an overall deficit of £10.917 million.
- 4.2.2 This would be written off against College reserves of £4.319 million, resulting in negative reserves of £6.598 million.

The key income and expenditure variances were considered and there was consideration of:

- 4.2.3 The financial impact of the College's struggle to meet its targets and the comprehensive staff review and restructuring process that had been undertaken during the year.
- 4.2.4 Potential implications for the College in respect of continuing as a going concern in the context of the aborted property project and the writing off of costs associated with the project. It was noted that it was a position now common to many colleges in the sector.

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

- 4.2.5 **NOTE** the report.

4.3 Franchise & Partnership Provision 2009/10

A report was received summarising the end of year performance in franchise and partnership activity for 2008/09 and outlining proposals for activity for 2009/10.

In respect of activity for 2008/09, performance was summarised and it was reported that although not achieving total target funding, the contracts were successful in delivering provision that generated over £1million in funding, recruiting over 600 learners, with payments to the providers of over £800k. It was noted that the net contribution from these programmes had amounted to £273k, which represented approximately 25% of funding generated.

With regard to activity for 2009-2010:

- 4.3.1 It was proposed that the 16-18 franchising with Nisai would continue, providing on-learning and the completion of one small cohort of learners at Construction Training.
- 4.3.2 It was noted that no further 16-18 franchise provision was planned pending final outcome of recruitment of 16-18 learners; at which time the position would be reviewed.
- 4.3.3 Members were advised that there was only sufficient budget available to complete carry-over learners from 2008-09 Train to Gain activity with SAFE for the delivery of training to the security industry, expected to generate approximately £100k in funding.
- 4.3.4 It was noted that as good success rates had been achieved with North London ITeC for 2008-2009, the College planned to continue working with the provider delivering ESOL at the Beacon Centre in Rayners Lane as well as two local Mosques; with planned funding of £100k.
- 4.3.5 It was noted that the College proposed to continue the long-standing franchise contract with The Shaw Trust for the delivery of Skills for working Life qualification to students with learning difficulties. Members were advised that this contract would generate approximately £53k, supporting up to 20 learners.

After discussion it was **RESOLVED** to:

- 4.3.6 **NOTE** the franchise and partnerships performance for 2008/09; and on the recommendation of the Resources Committee to:
- 4.3.7 **APPROVE** the planned franchise and partnerships activity for 2009/10.

4.4 One Harrow: Financial Update

A report was received updating members on the financial position with regard to the One Harrow Project, which had been the subject to of consideration by the Resources Committee at its last meeting.

Members were advised that in respect of the LSC position and the outcome of the Capital task Group:

- 4.4.1 There was no money available from the LSC for abortive project costs. It was reported that there was only a small “pot” of money available for colleges in financial difficulties and that the next round of capital spending was already committed so that no funds would be available for projects until 2012 at the earliest.
- 4.4.2 It was a pretty stark position with no available cash for colleges and only limited, if any, help over the next few years.

It was reported that in respect of the implications for the College:

- 4.4.3 Total expenditure on the project had been £10.6million, off-set by capital funding of £920k; resulting in net expenditure of £9.680 million.
- 4.4.4 Positive cash flow was only supported by a short-term loan of £2.5million from Barclays Bank and LSC funding of £4.1 million.

The financial implications were considered and it was noted that:

- 4.4.5 The external auditors had advised that the net costs of £9.680 million must be written off in the financial year 2008/09; which would result in a huge deficit, eliminating reserves and driving the College into a position of negative net assets for the foreseeable future. Members were advised that this would also drive the College's financial status with the LSC from a Grade A at 31 July 2008 to Grade C by 31 July 2009.
- 4.4.6 In the shorter term, the cash flow report indicated that whilst the College would have positive balances at bank until January 2010, thereafter for the following three months it would require further financial support.
- 4.4.7 Bank loans and funding advances were required long term if the College was to remain solvent and meet its commitments.

There was a discussion of the College's financial position, directly resulting from the LSC's decision to suspend all capital project and after further consideration it was **RESOLVED** to:

- 4.4.8 **NOTE** the Report.

4.5 Sector Update Report

The sector update report was received and noted.

5 PRINCIPAL'S REPORT & DEVELOPMENT PLAN

5.1 Principal's Report

The Principal's Report was received.

The Principal reported on the latest national, regional developments and in particular on local and College developments including:

- 5.1.1 The summer building works that took place over the summer period. It was noted that they had been undertaken in the context of the ongoing property "situation", and that it was considered that they made a significant difference to the estate and represented good value for money; with resources focused on improving the quality of the learner experience at the College.
- 5.1.2 The situation with the Collegiate and Local Authority, concerns about which were noted. Members were advised that it appeared that there was movement away from the partnership spirit in which the Collegiate was originally set up with local

high schools expanding their vocational offer, with no justification in terms of either quality or sufficiency of vocational provision; with the potential effect of reducing learner numbers at the College.

5.1.3 The College Development Plan for 2009/10 with actions grouped, as confirmed at the 15th July 2009 Corporation Meeting, under the 5 cross College strategic objectives.

5.1.4 Progress in the development of the College's international partnerships. It was noted that work was ongoing with HE partners in the UK and partners in Vietnam to develop the HND provision for commencement in Sept 2010 with meetings set for later in October to iron out outstanding issues.

There was a discussion of the report and in particular the expansion of vocational offer by the local high schools and the potential for unnecessary duplication of provision. It was agreed that in the immediate future maintaining the community links and the spirit of partnership would be prudent.

After further consideration, it was **RESOLVED** to:

5.1.5 **NOTE** the report.

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

6.1 Any Other Business

6.1.1 Member's departure

Members were advised that Mrs Gillian Eldridge had tendered her resignation and that that this was to be his last meeting. On behalf of the Corporation the Chair thanked Mrs Eldridge for her contribution during her period in office and paid tribute to her commitment to the College as one of the longest serving Board members.

6.1.2 Staff Awards Ceremony

Members were reminded that the Staff Awards Ceremony was scheduled to take place on Wednesday 9 December 2009.

6.2 Date of Next Meeting

Wednesday 16 December 2009

6.3 Meeting Evaluation

Members completed the meeting evaluation forms and the meeting closed.