

**HARROW COLLEGE FURTHER EDUCATION CORPORATION
MINUTES OF THE MEETING OF THE CORPORATION
WEDNESDAY 15 JULY 2009**

1. CORPORATION DEVELOPMENT SESSION

A presentation was received from Amjit Ramji and Alyssa Williams on their recent trip to Beijing.

It was reported that the trip had followed a College competition and had combined educational visits with sightseeing activities. It was noted that visits had been arranged to:

- 1.1 The Beijing Vocational School of Electronic Science
- 1.2 The National Olympic Stadium and Aquatics Centre
- 1.3 The Beijing Commerce and Trade School, Shang Mao

The main educational and cultural differences were discussed and Amit and Alyssa were thanked for an interesting and informative presentation.

2. PRELIMINARY PROCEDURAL MATTERS

2.1 Attendance & Apologies for Absence

Membership:	Anna Kyprianou		
	Gillian Eldridge		(Chair – item 2.4.6 only)
	Sandra Ernstoff		
	Philip Harding	(Chair)	(except item 2.4.6)
	Niki Joshi		(except item 6)
	Tony Medhurst	(Principal)	
	Gill O'Brien		(Up to tem 6.1)
	Patrick O'Dwyer		
	John Steady		

In attendance:	Pat Carvalho		
	John Cowan		(Item 1 only)
	Jayne Chaplin	(Clerk)	
	John Cudmore		
	Steve Marsden		(Item 1 only)
	Rena Prindiville		
	Amjit Ramji		(Item 1 only)
	Ketan Sheth		(Item 1 only)
	Matthew Westmore		

Alyssa Williams	(Item 1 only)
Emma Weston	(Item 1 only)
Bob Vesey	(item 1 only)

Apologies: Rosy Crehan
Alf Filer

2.2 Chair, Clerk's Announcements & Agenda Order

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

2.2.2 It was reported that there had been a need to reschedule several meetings during the year as a result of apologies received. The implications of non-attendance were re-iterated and Members were reminded of the importance of attendance, including at College events.

It was **RESOLVED** that:

2.2.3 Items 2.4 and 3.5 would be taken together as one item.

2.2.4 Item 6 would be taken as the last items of business and that the staff member would withdraw after item 6.1.

2.3 Appointment of New Members

Members were advised of the current Board vacancies. It was noted that the Search & Development had considered a number of candidates and recommendations regarding appointment were made accordingly.

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

- Councillor John Cowan in the category of external (independent) member for a four-year term of office from 15 July 2009.
- Mr Ketan Sheth in the category of external (independent) member for a four-year term of office from 15 July 2009.
- Mr Steve Marsden in the category of external (independent) member for a four-year term of office from 15 July 2009.
- Mr Antonio Weiss as a co-opted member of the Curriculum, Quality & Standards Committee/Learner/Student Voice Committee for a four-year term of office from 15 July 2009.

2.4 Board business 2009/10 & Governance Review & Development

Mr Harding withdrew for item 2.4.6. Mrs Eldridge assumed the Chair for item 2.4.6

Reports were received outlining proposals for the conduct of Corporation business for 2009/10:

2.4.1 Proposals to revise the committee structure to improve corporate decision making and improved learner participation through:

- The dissolution of the Property & Accommodation Committee, which it was noted was considered to have substantially fulfilled its role; and for the business previously considered by the Committee to be assumed by the Resources Committee.
- The formation of a student/learner voice committee to improve corporate decision making through enhanced engagement with learners to inform future strategies.

2.4.2 The development of links with curriculum areas to extend members' knowledge of the curriculum and College operations.

2.4.3 Proposed amendments to the committees' terms of reference following a review in accordance with good practice.

2.4.4 The proposed committee memberships for the year.

2.4.5 The proposed schedule of meetings for the year; and

2.4.6 Nominations for Corporation Chair. Members were advised however, that whilst the current Chair, Philip Harding, had indicated a willingness to stand for re-appointment as Chair, it was his intention to step down at the end of the autumn term. It was noted that nominations for a successor, along with those for Vice Chair would be taking place at the December meeting.

There was a discussion of:

2.4.7 The proposal to introduce a formal student/learner voice committee to the committee structure. The rationale was considered and it was agreed that such a committee would be a positive demonstration of the Board's commitment to further and more direct engagement with the College's learners. It was further agreed that the terms of reference and membership could be finalised at the committee's initial meeting.

2.4.8 The proposal to develop links with curriculum areas. It was agreed that it would be helpful for members to be provided with guidance outlining the purpose and nature of visits to curriculum areas.

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

2.4.9 The proposal to dissolve the Property & Accommodation Committee and to formally introduce a Student/Learner Voice Committee.

2.4.10 The committee memberships for 2009/10.

2.4.11 The schedule of meetings for 2009/10.

2.4.12 The proposal for the implementation of member's curriculum links.

2.4.13 The committees' Terms of Reference as amended.

2.4.14 The appointment of Mr Philip Harding as Chair until the end of the autumn term.

2.5 Declarations of Interest, Confidential Items

It was **RESOLVED** that:

2.5.1 Item 4.3 would be taken as a confidential item

2.5.2 The staff and student members would withdraw for item 4.3

2.6 Minutes of the Last Meetings

The Minutes of the Meeting held on 17 December 2008, were agreed as a correct record and signed by the Chair.

2.7 Matters Arising

Skills Centre Contract

It was reported that the contract had been updated and that it was now with Harrow Council for agreement.

3. ITEMS REQUIRING FORMAL APPROVAL OR ADOPTION

3.1 Minutes & Confidential Minutes of the Audit Committee meeting, 8 July 2009

The Committee Chair provided a verbal summary of the business that had been discussed at the Committee's 8 July 2009, including:

3.1a Internal Audit Report

It was noted that the report had been prepared following the internal audit review of those areas in the internal audit plan previously approved by the Corporation.

Members were advised that the overall assessment of the design and operation of the frameworks had been good and that the Committee had welcomed confirmation of the audit opinion, which it was noted had shown an improvement on the findings of reports in previous years.

3.1b Internal Audit Strategic Plan for 2009/10

A report was received outlining the proposed three year audit strategy for the period 2009/10 to 2011/12, together with a more detailed audit plan for the 2009/10 internal audit programme.

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

3.1.1 The Internal Audit Report.

3.1.2 The Internal Audit Strategic Plan for 2009/10

3.2 Minutes of the Resources Committee 4 March 2009 and 24 June 2009

The Committee Chair provided a summary of the business that had been discussed at the Committee's meetings, including:

3.2a Management Accounts

The Management Accounts for the period 1 August to 31 May 2009 were received.

After discussion it was **RESOLVED** to:

3.2.a.1 **APPROVE** the Management Accounts.

3.2b 2009/10 Draft Budget & Financial Forecast 2009/2012

The 2009/10 Draft Budget & Financial Forecast 2009/2012 was received along with the underlying assumptions underpinning the budget; and the Sensitivity Analysis was tabled.

It was noted that the budget setting process, the last with the LSC, had been particularly challenging in the context of the current climate: and that the College had only just recently received its allocation for 2009/10, an overall reduction in funding of 33%.

Members were advised that a surplus of £53k was planned which, following transfers from the revaluation reserve, would convert into an historic surplus of £270k.

It was reported that:

- 3.2b.1 As the College had not achieved its target learner number during 2008/09 for 16-18 Funding, negotiations with the LSC had resulted in the College receiving funding of £10.269 million for 2009/10, representing a reduction in funding of over £400K.
- 3.2b.2 In terms of adult funding for 2008/09, the College was marginally below learner number targets and funding generated, and that whilst the learner number target for 2009/10 remained unchanged, the funding had been reduced by £178k.
- 3.2b.3 With regard to employer responsive (including Train to Gain), and regardless of the fact that the College's contract for 2008/09 had proved very successful, due to the significant Train to Gain activity across the whole sector, there was insufficient funding available to meet demand. It was reported that the College had seen a cut in overall Employer Responsive funding of nearly £400k accordingly.

The Sensitivity Analysis, which assumed a materiality level of £220k, summarised the key risks and the potential impact in respect of:

3.2b.4 Income generation and learner numbers

3.2b.5 Exceeding planned staff costs.

- 3.2b.6 The implementation and the non-implementation of the Whitefriars Skills Centre; and
- 3.2b.7 The LSC's failure to approve the College's detailed capital bid. The recent realisation of this risk was considered. It was noted that write off costs to the profit and loss account would result a massive deficit for 2008/09, with a longer term impact on the balance sheet and reserves; and the need to look to the LSC for exceptional support as well as negotiating additional borrowing facilities.

There was a robust discussion of:

- 3.2b.8 The assumptions underpinning the budget and factors that could impact further on the College's financial position and the degree to which the College could be affected.
- 3.2b.8 The Sensitivity Analysis, which it was reported that as far as was practicable summarised the worse case scenario financially. It was noted that plans were being proposed to mitigate the realisation of key risks and place the College in a position to maximise future funding opportunities.

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

- 3.2b.9 The 2009/10 Draft Budget & Financial Forecast 2009/2012.

3.2c Sensitivity Analysis

See Minute 3.2b

3.2d Three-Year Cash Flow

The three-year cash flow was received.

In respect of the Balance Sheet and Cash Flow, it was noted that it was based on information received from the LSC as of 15 July 2009 and remained subject to further change. Members were advised that:

- 3.2d.1 Following notification that the College's property project had not been selected and, although a small "pot" of money was available to support colleges in financial difficulties, advice recently received from the LSC had been that there would be no compensation for consultancy and other costs incurred.
- 3.2.d.2 The College would need to write off expenditure amounting to £9.680 million in the current financial year, after taking into account grant funding received of £920k; and that the College would now be looking to the LSC to provide appropriate and continuing support.
- 3.2d.2 There had been very little guidance regarding the presentation of such exceptional costs in the College's Profit and Loss and Balance Sheet, so that the Balance Sheet assumed that the College would completely write off the

project costs, and would continue with a loan of £2.5million in addition to a loan of £4.1 million from the LSC.

- 3.2d.3 The impact was significant on Balance Sheet, reducing the Profit and Loss reserve from a positive £4.102 million in 2008 to a current year negative of £6.068 million; assuming that the College would generate a deficit of £707k.
- 3.2d.4 Total reserves would reduce from £14.053 million in 2008 to £3.666 million in 2009. Members were advised that thereafter reserves would increase marginally year on year, though only by planned surpluses.
- 3.2d.5 The three-year cash flow demonstrated that with the continued support of bank loans and the LSC the College would remain in credit from August 2009 to February 2010, when it was forecast that without further LSC exceptional support it would go into overdraft and remain there until April 2010.

There was a discussion of:

- 3.2d.6 The Three-year Cash flow and the College's position following the LSC's the notification that the College's property project had not been chosen; and, contrary to the previous advice, that compensation would not be available.
- 3.2d.7 The exceptional funds available from the LSC.
- 3.2d.8 The impact on the College financial position and the future implications for the College in respect of its accommodation. It was agreed that, on behalf of the Corporation, the Chair would write to the LSC or local MP outlining the College's position following the events of recent months.

3.2e Balance Sheet

See 3.2b

3.2f Capital Works

A report was received outlining proposal for capital expenditure for 2009/10.

Members were advised that there were two proposals, both of which had been the subject of consideration by the Resources Committee:

- 3.2f.1 Plans for four schemes to the value of £550k for building alterations and refurbishment, cross college systems and curriculum IT and equipment.
- 3.2f.2 Plans to provide new training capacity for construction trades training. It was noted that a demand had been identified for construction trades training that could not be met at the skills centre or other local colleges; and that although the College currently operated the Harrow Skills Centre, which provided such training focused on 16-19 year olds, there was currently no capacity on either campus to provide such a facility.

It was reported that a search had been conducted for appropriate premises and that a preferred unit, Whitefriars, had been located that had been the subject of Town Planning requirements regarding change of use, which had been granted

since the meeting of the Resources Committee. It was noted that with a capital budget of £300k was proposed to provide two workshops and one classroom.

There was a discussion of:

3.2f.3 The capital expenditure plans for 2009/10 and in particular the proposals to provide new training facility for construction trades training in the current climate and in the College's current financial position. The risks of such an investment were considered. The need was recognised to make such an investment, particularly at this time, in order to realise the College's plans for the curriculum offer to be better placed to maximise future funding opportunities; including the expansion of its vocational programmes, which had been the subject of discussion at the February Governors' Conference.

3.2f.4 The costs associated with the proposals and the funding that would be available in the context of the 2009/10 budget.

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

3.2F.5 Capital expenditure of £550k for the four curriculum related schemes for building alterations and refurbishment, cross college.

3.2f.6 Capital expenditure of £300k to provide new training capacity for construction trades training at the Whitefriars unit.

3.2g Financial Regulations and Procedures

The College Financial Regulations and Procedures were received that members were advised had been the subject of discussion at the recent Resources Committee.

The amendments proposed were summarised and, on the recommendation of the Resources Committee, it was **RESOLVED** to:

3.2g.1 **APPROVE** the Financial Regulations and Procedures as updated.

3.3 Notes from the Property Committee 24 June 2009

The Committee Chair provided a summary of the business that had been discussed, in particular:

3.3.a One Harrow Progress Report

An update on the One Harrow Project was received.

Members were advised that the project remained suspended pending further information from the LSC. It was reported that:

3.3a.1 A limited amount of work had continued on concluding the Section 106 Agreement, the sale of the Harrow campus to the London Borough of Harrow and the purchase of land from Transport for London.

3.3a.2 The Application in Detail had been submitted to the LSC on 16th March.

With regard to the LSC's Colleges for the Future programme it was reported that:

3.3a.3 Since the suspension of the programme, consultants had been engaged to carry out a review and help the LSC identify which projects could be supported.

3.3a.4 Additional funds had been allocated to the LSC by the Chancellor in the budget but that the total currently available remained insufficient to carry out all projects.

In respect of:

3.3a.5 Transport for London (TfL), matters had been progressed positively since the meeting at City Hall, with TfL working well with the College to resolve all outstanding issues. It was noted that although they had adopted the alternative location for the train crew accommodation to the north of the railway line, TfL continued to take a firm stance on matters.

3.3a.6 The sale of Harrow Campus to London Borough of Harrow, trial contracts had been issued and contracts could be exchanged swiftly.

It was **RESOLVED** to:

3.3a.7 **APPROVE** the notes.

3.4 Minutes of the Search & Development Committee 3 June 2009

The Committee Chair provided a summary of the business that had been discussed at the Committee's 3 June meeting, the main items of which it was noted had been covered elsewhere on the agenda.

It was **RESOLVED** to:

3.4.1 **APPROVE** the minutes.

3.5 Governance Review & Development

See Minute 2.4

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

4.1 Update from Curriculum, Quality & Standards Committee 6 July 2009

A verbal update of the business discussed at the 6 July meeting was received, the main items of which it was noted had been considered elsewhere on the agenda.

It was **RESOLVED** to:

4.1.1 **NOTE** the update.

4.2 Curriculum Planning Update

A curriculum planning update was received, which had been discussed at the last Curriculum, Quality & Standards Committee meeting.

After discussion it was **RESOLVED** to:

4.2.1 **NOTE** the report.

4.3 Progress against Targets

A report was received updating members on progress against recruitment targets, which had been discussed at the last Resources Committee meeting; and which it was noted had been considered elsewhere on the agenda.

After discussion it was **RESOLVED** to:

4.3.1 **NOTE** the report.

4.4 Franchise and Partnerships: Monitoring Report

The Franchise and Partnerships Monitoring Report was received, which it was noted had been the subject to consideration at the recent Resources Committee; and which it was noted had been considered elsewhere on the agenda.

After consideration it was **RESOLVED** to:

4.4.1 **NOTE** the report.

4.5 Minutes of the Health & Safety Committee

The minutes of the Health & Safety Committee were 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 the local developments including:

5.1.1 The current position with the Collegiate, which it was noted continued to give cause for concern. Members were advised that the College's position had been made clear in public on several matters over the past few months. It was reported that thanks to the good work of the Vice Principal and others, the College appeared to be the only post 16 provider in Harrow regularly meeting

deadlines for information requests by the Local Authority with regard to planning and funding; and that it was hoped that the College's ongoing commitment to, and role in, making the local 14 to 19 delivery model as inclusive and effective as possible for Harrow young people would be recognised.

5.1.2 The College's international developments:

- The most recent visit to Beijing as part of the London/Beijing Colleges' Group. It was noted that a formal memorandum of partnership covering future development and exchange opportunities had been signed and that it was hoped that this would provide more learners and staff the opportunity to experience Chinese education and culture and provide mutually beneficial learning opportunities for both colleges. Members were advised that following on from this, the College had been successful in bidding for funds, in excess of £15k from the Prime Minister's Initiative to support this. The contribution of the Director of Learner Services in the success and the ongoing development of the Beijing project was recognised and commended.
- The formal signing of a memorandum of partnership with Language Link Vietnam, which would see students coming to study at Harrow College, initially from Hanoi and from Vietnam in the future, via Language Link's will established global placement service. The commitment to an initial delivery of Harrow College programmes in Hanoi commencing in 2010 was noted and members were advised that further reports would be forthcoming at the October 2009 meeting.
- The College's successful funding application to run a development project as part of the Education Partnerships in Africa programme in capacity building for vocational learning and employability in travel and tourism training; which members were advised would involve staff and curriculum development.

There was a discussion of the report and the development of the College's international work and in particular the significant opportunities for delivery in Vietnam; and the strategic objectives that would form part of the new Development Plan for 2009/10, which it was noted had been launched at the recent Staff Conference.

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

5.1.3 **NOTE** the report.

6. **CONFIDENTIAL**

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

7.1 Any Other Business

Members acknowledged that this had been an exceptionally difficult year for the College and the Board conveyed its congratulations and support to the Executive for the manner in which they had responded in such circumstances.

7.2 Date of Next Meeting

Wednesday 14 October 2009

7.3 Meeting Evaluation

Members completed the meeting evaluation forms and the meeting closed.