

CITY OF WOLVERHAMPTON COLLEGE

**Minutes of the Meeting of the Board of Governors
held on Monday 15 December 2008 at 5.00pm in the Conference Centre, Paget Road**

PRESENT

Ms J Eminson (Chair)	Mr R Landman
Ms R Bansal	Mr I Millard
Ms C Boughton	Mr WA Parker
Mr R Carr	Cllr J Rowley
Cllr B Cox	Mr D Swingwood
Ms K Douglas	Mr R Williams
Mrs J Kitchen	

Ms S Meddings (Clerk)

IN ATTENDANCE

Ms S Cottam
Ms E Payne
Mr J McHugh
Ms S Nicholson
Ms S Prince
Mr P Polowyj
Mr M Rowley (KPMG)
Mr J Stretton

The Chair welcomed everyone to the meeting and extended a particular welcome to Mrs Jane Kitchen attending her first meeting as a Governor, Ms Samantha Cottam, the Student Union President, attending the meeting as an observer and Mr Mike Rowley, KPMG, attending the meeting to present the draft annual accounts at agenda item 14.

APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies for absence were received from Mr B Bird, Dr M Hardacre and Dr V Wylie. Mr R Carr sent notification of late arrival.

There were no declarations of interest.

69/08 MINUTES OF THE PREVIOUS MEETING – 20 OCTOBER 2008

The Chair presented the minutes for approval.

Resolved:

That the minutes of the previous meeting held on 20 October 2008 be approved as a correct record.

70/08 MINUTES OF THE MEETING OF THE HUMAN RESOURCES COMMITTEE – 10 NOVEMBER 2008

In presenting the minutes for adoption, the Chair of the Human Resources Committee, Ms C Boughton, drew attention to the Committee's recommendation to the Board on Staff Pay at Minute No 25/08.

Resolved:

That the minutes of the meeting of the Human Resources Committee held on 10 November 2008 be adopted.

71/08

MINUTES OF THE MEETING OF THE SEARCH AND GOVERNANCE COMMITTEE – 24 NOVEMBER 2008

The Chair presented the minutes for adoption and drew Governors' attention to the Committee's recommendation on the target for Governor attendance for 2008/09 at Minute No 29/08.

Resolved:

- i) That a target figure of 80% for aggregate governor attendance for the 2008/09 academic year be approved.
- ii) That the minutes of the meeting of the Search and Governance Committee held on 24 November 2008 be adopted.

Mr R Landman joined the meeting.

72/08

MINUTES OF THE MEETING OF THE STANDARDS COMMITTEE – 24 NOVEMBER 2008

The Vice Chair of the Standards Committee, Cllr J Rowley, presented the minutes for adoption and drew attention to the substantive item considered by the Committee, the Review of the Self Assessment Process and Self-Assessment Report (SAR) for 2007/08.

Cllr Rowley assured the Board that the Committee had given detailed and thorough consideration to the draft SAR, had endorsed the associated grade profiles and recommended approval of the SAR to the Board.

Resolved:

That the minutes of the meeting of the Standards Committee held on 24 November 2008 be adopted.

73/08

MINUTES OF THE MEETING OF THE ESTATES AND FINANCE COMMITTEE – 1 DECEMBER 2008

In presenting the minutes for adoption, the Chair of the Estates and Finance Committee, Cllr B Cox, reported that the majority of the items considered by the Committee were on the Board's agenda.

Cllr Cox drew attention to Minute No 37/08 where the Committee had received the draft annual accounts for 2007/08 and recommended the adoption of the annual accounts to the Board. The Committee had further requested that the College's financial statement auditors, KPMG, should attend the Board meeting to present the accounts.

Resolved:

That the minutes of the meeting of the Estates and Finance Committee held on 1 December 2008 be adopted.

74/08

MINUTES OF THE MEETING OF THE AUDIT COMMITTEE – 3 DECEMBER 2008

The Chair of the Audit Committee, Mr D Swingwood, presented the minutes for adoption and drew Governors' attention to the following:

Minute No 27/08 – The Committee had received KPMG's management report on the findings related to the College's financial statements for the year ended 31 July 2008. In receiving the report, the Committee had discussed the impact of the current economic climate on the FE sector in the context of threats and opportunities.

Minute No 31/08 – The Committee had reviewed the College's completed Financial Management Control Evaluation self-assessment (an element of Framework for Excellence) and had recommended approval of the document for sign off by the Principal.

Minute No 33/08 – The Committee had considered a report on the annual assessment of the College's Risk Management Framework and agreed that the view of the Committee was that the Framework provided assurance that key issues were managed appropriately.

Resolved:

That the minutes of the meeting of the Audit Committee held on 3 December 2008 be adopted.

75/08

CORRESPONDENCE

The Principal reported two items of correspondence.

The LSC Grant Letter 2009/10 dated 18 November 2008 together with a Briefing note from the Vice Principal Finance summarising the key issues and increase or reduction in the funding allocations. Copies of the Grant Letter and the Briefing note were distributed at the meeting.

Letter dated 15 December 2008 advising the College that, as expected, Ofsted would be undertaking an annual desk monitoring of the College's performance during the week beginning 19 January 2009.

The Chair explained that because the agenda for the meeting was so substantial, the next four items would be considered by the Board without formal presentation by officers. Questions and discussion on each agenda item would be invited as usual.

76/08

ANNUAL ASSESSMENT OF RISK MANAGEMENT FRAMEWORK

In receiving the report, Governors noted that from the perspective of both the Estates and Finance Committee and the Audit Committee, the current Risk Management Framework provides assurance that key issues are managed appropriately and that the Risk Framework is appropriate and robust.

Mr R Carr joined the meeting.

77/08

COLLEGE TERM DATES FOR STUDENTS AND COLLEGE CLOSURE DATES 2009/10

In considering proposals for college term dates and college closure dates for the 2009/10 academic year, Governors

Resolved:

- i) That the proposed term dates for 2009/10 be approved;
- ii) That the proposed college closure days for 2009/10 be approved

78/08

STUDENT LIAISON/STUDENT UNION ANNUAL REPORT

Governors received the Student Liaison/Student Union Annual report for 2007/08 for information.

In receiving the report, Mr J Stretton commended the Student Union and the Student Liaison team for the work that they do.

Cllr B Cox congratulated the Student Union on the recent fundraising evening for Children in Need.

Ms S Cottam reported that the evening had raised over £1,000 for Children in Need.

79/08

FREEDOM OF INFORMATION – MODEL PUBLICATION SCHEME

Governors received a report recommending the adoption of a new model publication scheme in response to changes to the requirements of Freedom of Information from 1 January 2009.

It was reported that as of January 2009, there would be one approved model scheme which should be adopted in its entirety by all public sector organisations by 1 January 2009.

Colleges would be required to produce a guide to the specific information they hold and which is contained within the Model Publication Scheme's seven classes of information.

It was noted that the detail and content of the College's publication scheme would be brought to the Board meeting in March for approval. In the meantime, the Board was requested to adopt the model publication scheme.

Resolved:

That the Freedom of Information Model Publication Scheme be adopted.

80/08

ANNUAL REPORT OF THE AUDIT COMMITTEE 2007/08

Mr D Swingwood presented the Audit Committee's Annual Report in respect of work undertaken during the 2007/08 financial year. Governors noted the following recommendations based on the Audit Committee's Annual Report findings:

- That the Board of Governors notes that the Audit Framework in place at the College provides assurance that the financial monitoring, governance

and risk management framework supports the strategic objectives and medium term financial security of the College.

- That the Annual Accounts for 2007/08 be approved by the Board of Governors.

Resolved:

That the 2007/08 annual report of the Audit Committee, with the above recommendations from the Committee, be adopted.

81/08

ANNUAL ACCOUNTS 2007/08

In presenting the annual accounts for 2007/08 at the request of the Board of Governors, Mr M Rowley referred Governors to KPMG's Management Letter appended to the Annual Report of the Audit Committee and drew Governors' attention to the following:

The accounts for 2007/08 confirm that, excluding the FRS17 actuarial adjustment and one off redundancy costs, the College returned a historical deficit of £594,000 for the year.

The College's 2007/08 trading position has deteriorated compared to 2006/07. This was largely due to variations in several areas compared to both budget and prior year, a number of which emerged in the second half or towards the end of the year which meant there was little time available to take mitigating actions to correct the outturn. These variations included a reduction in Offenders in the Community income (£220k), higher than budgeted staff costs (£400k) which was originally thought to be manageable through additional income levels (for example Train to Gain) in the second half of the year, reductions in income from regeneration projects and increased energy costs.

It was noted that the LSC would expect colleges not to return more than two years of deficit.

In respect of matters for future consideration, Mr Rowley highlighted the potential impact of the new funding methodology where it was recommended that the College should continue to assess the impact of the changes on its forecast funding levels and overall financial projections.

Mr WA Parker thanked Mr Rowley for his presentation of the College's 2007/08 Annual Accounts and proposed that they be recommended for approval.

Resolved:

- i) That the Annual Accounts for 2007/08 be approved.
- ii) That Mr P Polowyj and his team be thanked for the work undertaken in preparing the Annual Accounts.

82/08

REVIEW OF SELF ASSESSMENT PROCESS AND SELF ASSESSMENT REPORT (SAR) 2007/08

Governors received a report presenting an overview of the College's self assessment process and the grade profile awarded to subject sector areas and the College as a whole.

It was noted that the Standards Committee had given detailed consideration to the draft SAR at its meeting on 24 November and had endorsed the process; the associated grade profiles and recommended the SAR for approval to the Board of Governors.

In considering the report, discussion arose on the following:

- How and when the College moves to being a grade 1 college, i.e. “outstanding”.
- The College’s retention strategy.
- The future of inspections – light touch and data driven.
- College performance at level 3. It was noted that college performance at level 1 and level 2 was just as good as grade 1 colleges but at level 3 the College was at the national average but below grade 1 colleges who are above the national average at grade 3.
- The relationship between resources and success rates.
- The relationship between performance management of staff and student performance
- The importance of a high standard of literacy and numeracy and embedding key skills.
- What happens next: A generic push across the College focusing on what the College does well – for example Horticulture, which produces an excellent outturn and enrichment despite poor accommodation.
- In the context of Governors’ oversight – it was reported that progress against improvement plans for each subject sector area and cross college area was updated three times annually and reported to the Standards Committee.

In concluding the discussions, the Chair congratulated the College on the work done, the progress made and the robustness of the self-assessment process.

Resolved:

That, on the recommendation of the Standards Committee, the Self Assessment Report for 2007/08 be approved.

Mr M Rowley left the meeting.

83/08 DEVELOPMENT PLAN 2008-11

Governors considered a report which provided an update on the latest draft of the Development Plan following the Governors’ Strategic Forum on 5 November 2008 and outlined proposed next steps for the completion of the Development Plan.

An updated draft of the Development Plan 2008-2011 was circulated for Governors’ comments.

It was reported that next steps would include a further review of the draft Plan to check coverage of key issues, challenges and opportunities and would include work with College staff, learners and key stakeholders.

Work with College staff would include:

- Meetings with managers within the College Management Forum (CMF) to review the draft Plan;
- Meetings with all areas of the College to review key issues for the future.

Work with key stakeholders would include holding a series of informal reviews with a sample of private sector organisations, public sector organisations, voluntary and community sector organisations and other key agencies.

Governors noted the timescales for the completion of the Development Plan. Following discussions with college staff and external stakeholders, the final draft of the Plan would be completed in April 2009 for approval by the Board of Governors in May 2009.

It was proposed that a small working group of Governors should be established to work with the Clerk on scoping out and considering any implications for the governance of the College arising from any elements of change in the Development Plan.

Governors were requested to contact the Clerk should they wish to volunteer to join the working group.

Governors were further requested to send any comments on the draft Development Plan to the Principal.

Resolved:

- i) That the next steps framework be agreed
- ii) That the proposed review of governance as outlined in the report be agreed.

84/08

PROPERTY STRATEGY UPDATE

Governors received the progress report on the College's Property Strategy considered by the Estates and Finance Committee on 1 December 2008 together with an executive summary of the headline issues:

The following headline issues were noted:

Wellington Road

- The construction block became fully operational on 7 November 2008
- The sports block would be partially available by Christmas. Full access was slightly behind schedule and was likely for late January 2009.
- The Football Foundation application for the full sized all weather pitch was being progressed
- The estimated overall cost of the development prior to the Football Foundation proposal remains at £14.3m

iCentral

- The joint application to AWM was imminent
- The project managers (MACE) were to begin preparation work for the Application in Principle (AiP) in anticipation for the forwarding date of March 2009
- Up front costs, shared jointly with the University, would be funded by grant support from the LSC and HEFCE.

- The interviews for the cost consultant had taken place on 5 December. Officers were to seek the approval of the Chair of the Estates and Finance Committee to the appointment.

Paget Road

- The preparations for the AiP were underway. The intention was to forward the AiP by March/April 2009 at the same time as the iCentral submission to secure LSC grant support for the proposals.
- The College continues to work towards MACE being appointed as professional advisers for this development as well as the iCentral development.

It was further reported that a workshop on the Property Strategy would be held in the Spring term to provide an opportunity for Governors to look in more detail at the iCentral and Paget Road proposals.

85/08

2008/09 IN YEAR MONITORING REPORT AND PAY AWARD

Governors considered a report which:

- Provided an update on the actions taken to increase the 2008/09 historical surplus of £326,000 to £800,000 as requested by the Board of Governors at the previous Board meeting in October 2008 and provided a revised budget for the Board's approval.
- Provided an update on the position reported at the Human Resources Committee on the affordability of a 3.2% pay award for College staff for 2009.
- Requested the Board's approval for the introduction of a voluntary severance package.

In respect of the in year operation position and the 2008/09 budget it was reported that the following actions had been taken.

- An autumn term update of regeneration and learning partnership income assumptions
- Update on costs associated with the Telford office and inclusion of these costs
- Marginal savings on non pay budgets which targets £400,000 of cost reductions;
- Progression of Programme Led Apprentices (PLA) to generate income up to £500,000 not originally targeted in the budget
- An assessment of the Adult Responsive contract for the full year which confirms that this will underperform at current levels predicted for the full year unless corrective action is taken.

Governors considered an update of the July Budget depicting the impact on the budget of the autumn review and the in year opportunities and risks. It was noted that a "worst case scenario" of the impact of the respective variations was that a historical surplus of £180,000 would be returned for the year, which is £619,000 less than the £800,000 target.

It was reported that the College was therefore budgeting to take the following actions in the remainder of the year:

- Seeking additional income of £180,000 from extra PLAs
- Reducing (further) costs within the year – targeting £439,000 with the progression of a Voluntary Severance package which would require Governors' approval.
- Seeking further income sources to address the adult/skills needs in Wolverhampton in response to addressing the impact of the economic downturn.

In respect of the 2009 Staff Pay award it was reported that at the Human Resources Committee on 10 November 2008, the Committee had recommended to the Board of Governors the adoption of a pay award of 3.2% subject to affordability with effect from 1 January 2009.

It was reported that the College has budgeted for 3% from January 2009. The payment of an additional 0.2% equates to £50,000 in the full year and £29,000 in the period January to July 2009. On the basis that Governors would wish to continue to adopt the AoC recommended framework, the marginal increase was built into the updated full year budget. On this basis a pay award of 3.2% from January 2009 would be affordable.

In receiving the report, Governors gave detailed consideration to the contents of the report and to the recommendations and

Resolved:

- i) That the revised budget for 2008/09 be approved.
- ii) That, on the recommendation of the Human Resources Committee, a pay award of 3.2% with effect from 1 January 2009 for all staff, other than Senior Postholders and the Clerk to the Board, be approved.
- iii) That the offer of a managed enhanced voluntary severance scheme to College staff be approved and that the finalising of the detail of the scheme be delegated to the Principal and to the Chair of the Board of Governors, the outcome to be reported to the Human Resources Committee.