

CITY OF WOLVERHAMPTON COLLEGE

Minutes of the Meeting of the Board of Governors
held on Monday 13 December 2010 at 5.00pm in the Conference Centre, Paget Road

PRESENT

Dr V Wylie (Chair)	Mr R Landman
Ms C Boughton	Mr I Millard
Mr J Crockett	Mr WA Parker
Ms K Douglas	Mr G Peebles
Dr M Hardacre	Mr N Spencer
Dr J Hunt	Mr D Swingwood
Ms M Hunt	

Ms S Meddings (Clerk)

IN ATTENDANCE

Mr B Dhir
Ms S Nicholson
Ms E Payne
Mr P Polowyj
Ms S Prince
Mr J Stretton

The Chair welcomed everyone to the last Board meeting of the 2010 calendar year.

APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies for absence were received from Ms R Bansal, Mrs J Kitchen and Cllr J Rowley.

There were no declarations of interest.

80/10 MINUTES OF THE PREVIOUS MEETING – 18 OCTOBER 2010

Resolved:

That the minutes of the previous meeting held on 18 October 2010 be approved as a correct record.

81/10 PRINCIPAL'S REPORT TO GOVERNORS – DECEMBER 2010

The Principal presented his report to Governors for December 2010 which provided an overview of:

- Enrolments/learner numbers for 2010/2011 and any implications for the 2011/2012 year, and funding;
- Quality updates and Inspection outcomes;
- National Policy update and emerging issues regarding the Comprehensive Spending Review.

In receiving the Principal's report Governors noted the following key areas highlighted in the report:

- 16-18 numbers. It was noted that the significance of the methodology was that the College could see either a funding allocation similar to the current year or a loss of income of around £1,500,000.
- 19+ numbers – The reduction of funding of around 25% in 2010/11 has had an impact on the number of learners the College can recruit. Furthermore the increase in full time adults requires the College to further reduce total part time learner numbers.
- Specific actions being implemented to address the drop in the College's success rates and to ensure an improvement for 2010/11. These included:

Data management policy
Improvement strategy

- Key outcomes from the Ofsted review of numeracy provision undertaken in November 2010. It was noted that overall provision was good.
- Key judgements from the IQER assessment of the College's HE provision. It was noted that overall this was a positive report.
- Policy update and emerging issues regarding the Comprehensive Spending Review including a summary of key decisions impacting on the sector by 2014.

Points of discussion included:

- The application of the pupil premium and whether there was a mechanism, for example via the AoC, to ensure that the College gets a share. The Principal reported that the detail was unclear at this point but that the premium appears to apply only up to the age of 16.
- The effect of the withdrawal of EMA. The Principal reported that the College would monitor this but would expect the withdrawal of EMA to impact on retention (given that the EMA was used by students for transport, meals etc. and therefore affected students' ability to continue with learning).
- The "knock on" effect of withdrawal of the EMA, ie if 16-19 year olds were not in education, where would they be going.
- An alternative fund to help students. The Principal reported on the introduction of a new hardship fund but it appeared that this was only 10% of the value of the EMA. In administering the new fund the College would have to ensure that the funds would go to students most in need. It was agreed that in the current funding climate it would be difficult to subsidise students from College resources. The Principal reported that Governors would be kept informed as more detail emerges.

82/10

ACADEMIES UPDATE

The Board received a verbal update from the Principal and noted the following:

- The Government has requested all BSF programmes to make savings which would amount to 40% savings for Wolverhampton. The SWB

Academy build was due to commence in February 2011 and was therefore too far progressed to be significantly impacted on by BSF reduction. Planning permission has been granted for the new build at Prosser Street.

- The NEW Academy was faring less favourably in respect of the reduction of monies for new build. A balance between new build and refurbishment was therefore being explored. It was reported that £4.5m additional build has been received for the Diploma Centre.

Before requesting the Committee Chairs to present the minutes of the Committee meetings, the Chair suggested that the agenda be re-ordered so that the minutes of the Standards Committee would be presented before the agenda item on the College's Self Assessment Report to give context to that item.

83/10 **COMMITTEE MINUTES – SEARCH AND GOVERNANCE – 15 NOVEMBER 2010**

The Chair presented the minutes of the Committee meeting and drew Governors' attention to the recommendation from the Committee that the Board approves the revised Governors' Code of Conduct, presented at item 14 on the Agenda.

84/10 **COMMITTEE MINUTES – AUDIT – 1 DECEMBER 2010**

Mr D Swingwood presented the minutes of the Audit Committee meeting and highlighted the Committee's recommendations to the Board on the Annual Report of the Audit Committee to the Board, the draft Annual Accounts 2009/10 and the College's Financial Management and Control Evaluation return, presented at item 7 on the Agenda.

85/10 **COMMITTEE MINUTES – RESOURCES – 29 NOVEMBER 2010**

In presenting the minutes, Mrs J Kitchen, Chair of the Resources Committee drew Governors' attention to the following decisions and recommendations agreed by the Committee.

Minute No 42/10: The Committee had agreed the proposal to extend Government Procurement cards to additional areas of the College;

Minute No 46/10: The Committee had supported the decision to gain Investors in People re-accreditation which would involve the roll out of the DNA performance management framework.

Minute No 47/10: The Committee had approved the new Grievance Policy.

Minute No 50/10: the Committee had approved the issuing of a S188/HR1 notice and had approved a Voluntary Redundancy Scheme with a cut off date of 23 December 2010 for the submission of expressions of interest by staff.

Minute No 49/10: The Committee had considered the draft Annual Accounts 2009/10 (presented at item 8 on the agenda) and recommended approval to the Board of Governors.

Minute No 52/10: The Committee had given consideration to proposals around the Staff pay award for 2011 and recommended that the Board considered the option of offering College staff a health package with BUPA

instead of the AoC recommended pay increase of 0.2%. This item was to be considered at item 10 on the agenda.

86/10

COMMITTEE MINUTES – STANDARDS – 22 NOVEMBER 2010

Dr M Hardacre presented the minutes of the Committee meeting and drew Governors' attention to the following items considered by the Committee:

Minute No 20/10: As requested at the previous Committee meeting, the Committee received a paper providing information on the correlation between lesson observation outcomes and success rates which indicated a clear link.

Minute No 21/10: As requested at the previous Committee meeting, the Committee received a report on actions taken to address issues of concern highlighted by responses in the Student On Programme Questionnaire and were pleased to note that actions had been taken to address all areas of concern.

Minute No 23/10: The Committee received a report on the impact of College retention strategies on early leavers. The report provided an analysis of the overall percentage of students retained, the pattern of early leaving, analysis by age, gender, ethnicity, postcode, educational level and retention by curriculum area.

Dr Hardacre reported that the substantive item considered by the Committee was the review of the 2009/10 College Self Assessment Report (SAR) and Self Assessment Process.

To provide context for the 2009/10 SAR, Dr Hardacre reported that, since beginning the current SAR process, there had been three different Inspection frameworks and it was clear that the College SAR as it stood was a combination of old and new frameworks. During the validation process it had become apparent that a review of the SAR format and process should be undertaken to make the process more productive and more accessible to all governors.

Dr Hardacre reported that the validation of the curriculum SARs had been undertaken by a Panel including an Ofsted Inspector working with the College on a consultancy basis who had taken the most negative (ie data driven) view and therefore given minimum gradings under the new Common Inspection Framework. The context for the Inspector's view was that, despite consistency with retention, College success rates had declined in 2009/10 and overall stood at 73% as against 76% in 2008/09. This situation was exacerbated by changes to benchmarks introduced by Ofsted who have abolished the Widening Participation category. As a result the College was now judged against all other FE and Tertiary providers and the profile of performance was far less complimentary than in previous years. As a result of all these factors the grade profile for the 2009/10 SAR was disappointing albeit not unexpected.

Dr Hardacre concluded by stating that the College needed to strengthen the information, advice and guidance given to learners but that as Chair of the Standards Committee he could assure the Board that the College's Self Assessment Process was robust and could therefore recommend the College SAR to the Board for approval.

REVIEW OF SELF ASSESSMENT PROCESS AND SELF ASSESSMENT REPORT (SAR) 2009/10

In conjunction with the verbal report from the Chair of the Standards Committee on the Committee's review of the Self Assessment process, Governors considered a report presenting an overview of the self assessment process, the grade profile awarded to Subject Sector Areas (SSA) and the College as a whole.

Based on the curriculum grade profile and with consideration to the key indicators of success rates and the profile of teaching and learning observations, the SAR validation Panel had confirmed the following cross college grades.

Overall Effectiveness	Grade 3
Capacity to Improve	Grade 2
Outcomes for Learners	Grade 3
Quality of Provision	Grade 3
Leadership and Management	Grade 3

Governors noted the subject sector areas and the contributory grades underpinning the three "Aspect" grades Outcomes for Learners, Quality of Provision and Leadership and Management.

It was reported that Achievement rates have declined overall and that four SSAs were flagged as "red" and subject to monthly monitoring by the Senior Management Team.

Governors further noted the key strengths and key areas for improvement emerging from the Self Assessment.

A considerable amount of discussion followed the presentation of the report with Governors vigorously interrogating the decline in the College's performance. Points of discussion included:

- Whether students were on the right courses and whether achievements were being recorded in a timely fashion. Were there problems with the Learner systems?
- Were the trends picked up and where was the indication of the decline in success rates?
- The presentation of the SAR – should it be more data focused and reflective.
- Following the College's last Ofsted Inspection in 2007, it had been anticipated that the journey from Good to Outstanding would take 5 years. What had happened?

The Principal reiterated that this was not a good enough performance and that the success rate outcomes had been disappointing although some of the drop in success rates was due to data technicalities which were still being reviewed. The Principal drew attention to a number of actions which had been put in place to address the drop in performance including new posts in the staffing structure with a specific remit to address quality issues. The Principal assured Governors that decisions would be made around some areas of provision if performance did not improve.

The Chair agreed that these were a disappointing set of results but acknowledged that the Executive Team were still exploring the reasons for the results with the assistance of an independent review of the College's data. The Chair requested that the outcome of the analysis of the results be brought back to the next Standards Committee meeting and to the next Board meeting.

The Chair concluded the discussions by asking whether the Board was in a position to approve the College's Self Assessment Report.

Mr R Landman stated that the report before the Board was a summary report on the Self Assessment Process and grade profile, not the College's Self Assessment Report.

Resolved:

That the 2009/10 Self Assessment Report and grade profiles be approved.

Mr R Landman voted against the proposal.

Mr J Crockett and Dr M Hardacre left the meeting.

88/10 ANNUAL REPORT OF THE AUDIT COMMITTEE TO THE BOARD OF GOVERNORS – 2009/10

Mr D Swingwood presented the Audit Committee's Annual Report in respect of work undertaken during the 2009/10 financial year.

In receiving the Annual Report, Governors considered 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 2009/10 be approved by the Board of Governors.
- That the College's 2010 FMCE return be approved for sign off by the Principal and submission to the SFA.

Resolved:

That the 2009/10 annual report of the Audit Committee, with the above recommendations from the Committee, be adopted.

89/10 ANNUAL ACCOUNTS 2009/10 (INCLUDING STUDENT UNION ACCOUNTS AND ANNUAL REPORT)

Governors received the draft Annual Accounts 2009/10 for approval together with the covering report submitted to the Resources Committee on 29 November 2010.

It was reported that the accounts show a historical surplus (excluding FRS 17 and staff restructuring costs) of £679,000 as was reported to the Board of Governors on 18 October 2010.

Governors noted the following trends applying to 2009/10:

- The historical surplus position has improved by £1.5m over the period 2007/08 to 2009/10
- Staff costs as a percentage of turnover has reduced to 66% - although for 2009/10 it was still around 2% above sector averages
- Borrowing as a percentage of turnover has increased from 27% in 2007/08 to 35% in 2009/10 as the College has taken on the bank loan support to fund the Wellington Road development
- Cash days have improved in 2009/10 (6.5) compared to 2008/09, but they are still "low" compared to sector averages (around 40).

It was reported that both the Resources Committee and the Audit Committee (which received the draft accounts on 1 December 2010) had recommended the approval of the annual accounts to the Board of Governors.

Governors further received the Student Union Accounts and Annual report for 2009/10. Mr N Spencer, Student Governor and Student Union President drew to Governors' attention that more events had taken place during the year than in 2008/09 and also that student hardship appeared more prevalent with more students turning to the Student Union for financial help.

Resolved:

That the Annual Accounts 2009/10 be approved for sign off by the Chair and the Principal.

90/10

STRATEGIC PLANNING

The Board considered a report on Strategic Planning which:

- Presented the 2010/11 Strategic Business Plan for approval;
- Provided an update on ongoing strategy development within the College;
- Provided an overview of the strategic landscape and organisational vulnerabilities;
- Reported on actions taken forward following the Governors' Strategic Forum held on 8 November 2010;
- Provided an update on Social Justice Board and Sustainability developments.

The following were of note:

The Risk register has been divided into three categories: strategic, operational and financial. The College Risk register forms part of the Strategic Business Plan and had been reviewed for priority and current status.

In respect of the Strategic Business Plan it was reported that no changes had been made to the Plan following the Comprehensive Spending Review but the strategic priorities and objectives had been reviewed in the context of changes in the strategic landscape.

It was further reported that Strategic Key Performance Indicators were currently under review and would be submitted to the next Board of Governors meeting.

Resolved:

That the 2010/11 Strategic Business Plan be approved.

91/10

COLLEGE BUDGET 2010/11 AND PAY AWARD

The Board received a report which:

- Provided an indication of how the College was performing against the full year budget, which seeks to achieve a historical surplus of £707,000 in 2010/11 (excluding staff restructuring costs and pensions adjustments);
- Advised that a Section 188/HR1 notice relating to 20 individual posts currently at risk had been approved by the Resources Committee on 29 November 2010 and had subsequently been issued.
- Requested the Board to consider the options for the 2011 staff pay award with effect from 1 January 2011.

It was reported that at the current levels of activity, the likelihood was that pressures on full year contract would arise against 16-18 Responsiveness (contract £15.756m), 16-18 Apprenticeships (£2.178m) and on fees (budget £1.1m).

The overall contract for Employer activity of £10.339m (combining Adult Responsiveness, Adult Apprentices and T2G) was expected to be achieved with an increase in Adult apprentices being targeted at the cost of the T2G allocation.

In respect of resources, it was anticipated that with the expected under-achievement on 16-18 numbers, the level of part time teacher needs (VTs) would reduce compared to the budget. This would allow resources to be vired into areas that can deliver extra 16-18 numbers (Prince's Trust, E2E and Franchise Partners).

Cashflow forecasts were in place to the end of July 2010 and reaffirmed the position that there was little room for manoeuvre on cash management during this period. Balances had improved but there was limited scope to undertake investment plans around acquisition unless more cash could be freed up.

It was reported that to date, staff costs were £6.76m against the full budget of £26.902m. Consumables total £12.7m in 2010/11 of which to date £3.206m has been spent.

In respect of the 2011 Staff Pay award it was reported that at the Resources Committee on 29 November 2010, the Committee had recommended to the Board of Governors a number of options for consideration. These were:

- That the AoC recommended award of 0.2% be approved
- That no pay award be given
- That the Board consider an alternative possibility – the awarding of BUPA membership to all staff.

Governors agreed that the AoC recommended award of 0.2% was a derisory offer and that, in the current circumstances the College was in regarding funding, the issuing of a Section 188/HR1 notice and potentially more challenges to come in 2011/12, it would not be appropriate to implement a pay award in January 2011 or to implement BUPA membership for College staff.

UPDATE ON BUDGET PREPARATIONS – 2011/12 ONWARDS

Governors received a copy of the detailed report submitted to the Resources Committee on 29 November 2010 which

- Advised on preparations regarding curriculum and budget preparations for 2011/12 onwards together with key actions and dates;
- Provided an outline of Section 188/HR1 issues in respect of 2011/12.

The following headline issues from the Executive Summary were noted:

At the Governors' Strategic Forum on 8 November it had been reported that the reduction in funding for 2011/12 could be around £2.3m, rising to a £5m reduction over the period through to 2014/15. Indications were that the reduction for 2011/12 was likely to be higher than originally estimated, possibly in the region of £3m. It was reported that it was expected that the estimates would be firmed up by the end of December 2010.

Governors noted a number of processes being progressed before the end of December 2010 including:

- Benchmarking of college by faculty and cross college areas
- Revisiting course contribution levels (financial) alongside success rates (quality)
- For cross college areas – a consideration of how the service can be delivered to students at 10% less resource levels

The Committee further noted key actions and dates for the New Year including:

- Detailed curriculum planning workshops
- Identification of courses by mid February which would not be offered in 2011/12 (ie which have poor success rates and do not make a financial contribution);
- A report to Governors by mid February on the actions proposed to manage the expected reductions from August 2011 onwards. This would inevitably include staff reductions and would necessitate consideration of a Section 188/HR1 in Spring 2011.

PROPOSED REPORTING FRAMEWORK FOR EQUALITY AND DIVERSITY ISSUES

The Board considered a proposed framework for the reporting of equality and diversity statistics and developments to Governors.

The proposed framework, to commence in the 2011/12 academic year, would consist of:

- Students' achievements, feedback from students, complaints, exclusions, suspensions, the work of the Multifaith Group and EIA outcomes to be reported to Standards Committee each January;
- Staffing profile, grievances, disciplinary, dismissals, sickness levels, all aspects of recruitment, EIA outcomes and work of strand leaders to be reported to Resources Committee each February;
- A combined summary report to the Board of Governors each March.

Resolved:

That the proposed framework for reporting equality and diversity issues to Governors be endorsed.

The Chair suggested that the next two agenda items should be considered by the Board without formal presentation by officers and drew Governors' attention to the recommendations for each item.

94/10 ANNUAL ASSESSMENT OF RISK MANAGEMENT FRAMEWORK

In receiving the report Governors noted that from the perspective of both the Resources 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.

It was noted that the Resources Committee had requested that an additional Strategic Risk be added to the Risk Register regarding "Mergers/Collaboration/Shared Services) and that the Audit Committee had endorsed this recommendation.

The Audit Committee had also agreed that work should be undertaken with the College's Internal Audit Service to plan ahead and strengthen the Risk Management Framework and processes in the forthcoming period of challenge and uncertainty.

95/10 BOARD OF GOVERNORS CODE OF CONDUCT

Resolved:

That, on the recommendation of the Search and Governance Committee, the revised Code of Conduct be adopted.