

CITY OF WOLVERHAMPTON COLLEGE

**Minutes of the Meeting of the Board of Governors
held on Monday 17 October 2011 at 4.45pm in the Conference Centre, Paget Road**

PRESENT

Dr V Wylie (Chair)	Mr C Crosdale
Ms R Anderson	Mr S Grice
Ms C Boughton	Dr M Hardacre
Ms S Brampton	Mr P Hazenberg
Mrs T Campbell	Mr I Millard
Mrs P Causer	Mr WA Parker
Mr J Crockett	Mr D Swingwood

Ms S Meddings (Clerk)

IN ATTENDANCE

Ms S Nicholson
Mr P Polowyj
Mr D Rose
Mr J Stretton

In welcoming everyone to the first Board meeting of the 2011/12 academic year, the Chair extended a particular welcome to Mr Trevor Gordon from Gordon-Ffrench in attendance to present the pre-meeting Briefing.

The Chair further welcomed Mr David Rose, the College's newly appointed Finance Director, who was attending his first Board meeting.

Before the Briefing took place the Chair suggested that agenda item 6 – Board of Governors, appointment of members – should be taken first to enable the newly appointed Governors to join the meeting for the Briefing.

47/11 BOARD OF GOVERNORS – APPOINTMENT OF MEMBERS

The Chair reported correspondence dated 11 October 2011 from the Student Union Executive Committee nominating Ms Rachael Anderson and Ms Samantha Brampton as the student members of the Board of Governors for the period ending 31 July 2012.

The Chair further reported that Ms Anderson was also the College's Student Union President and was studying GCSE mathematics at the College whilst studying for her Masters degree in Finance and Accounting at Wolverhampton University.

Ms Brampton was the College's Student Union Vice President and was studying for a level 3 Diploma in Business Administration

Resolved:

- i) That Ms Rachael Anderson be appointed as a student member of the Board of Governors for the period ending 31 July 2012.

- ii) That Ms Samantha Brampton be appointed as a student member of the Board of Governors for the period ending 31 July 2012.

Ms R Anderson and Ms S Brampton joined the meeting and were welcomed and congratulated.

The Board received a Briefing on Governors' responsibilities in relation to Equality and Diversity. The Briefing focused on the implications of the Single Equality Act, an overview and explanation of "protected characteristics" and what measures Ofsted would use in assessing how effectively the College actively promotes Equality and Diversity.

Following a question and answer session, the Chair thanked Mr Gordon for his presentation.

It was suggested that the Academy Trust Board and the Academy Schools' local governing bodies should be similarly briefed.

Mr T Gordon left the meeting.

APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies for absence were received from Dr J Carnell, Mrs J Kitchen, Mr R Landman and Mr G Peebles.

Dr M Hardacre declared an interest in Agenda Item 14 — in his capacity as a member of Wolverhampton Council's Planning Committee.

48/11 MINUTES OF THE PREVIOUS MEETING – 18 JULY 2011

Resolved:

That the minutes of the previous meeting held on 18 July 2011 be approved as a correct record.

49/11 MATTERS ARISING – SAFEGUARDING ANNUAL REPORT

Arising on Minute No 37/11, Ms C Boughton, the designated member of the Board of Governors for Safeguarding, reported that the issues which required clarification on the annual Safeguarding report had been resolved. Ms Boughton further reported that next year's report would reference victimisation by "cyber bullying".

50/11 MATTERS ARISING – INTERNAL AUDIT REPORT – EQUALITY AND DIVERSITY

Arising on Minute No 38/11, the Principal reported that a follow up audit had been undertaken as scheduled at the beginning of the autumn term and that considerable progress had been made and the area was now back on track.

51/11 MATTERS ARISING – STRATEGIC PLANNING

Arising on Minute No 39/11 in response to a question about whether the review of the College's International Strategy had been concluded, it was reported that revisions to the Strategy were currently being worked on.

PRINCIPAL'S REPORT TO GOVERNORS – OCTOBER 2011

Governors received the Principal's Report to the Board for October 2011 which provided an overview of:

- The position relating to the 2010/11 academic year – both the financial position and an update on Quality.
- Early indication of recruitment for 2011/12
- Other developments and updates.

The following issues were of note:

- During 2010/11, there has been a focus on dealing with the issues relating to the drop in success rates in 2009-10. Early data returns show that for the main indicator of long courses success rates the College has improved from 68% in 2009-2010 to the early indicator of around 72%.
- In addition an external audit of the success rate data to ensure confidence in the data has been undertaken.
- In respect of recruitment for 2011-12, the current position with 16-18 recruitment was around 2950 learners with around 85% full time. Part time learners were on track for a November return of around 3350. The College has a high in year recruitment of 16-18 learners, a result of provision such as Prince's Trust and NEETs activities – a full time figure of around 2925 was expected.
- Adult 19+ recruitment: Full time courses have recruited close to contract with around 880 students. Part time recruitment has been slower than expected and was currently at around 2500 with a target of 4500. In year recruitment was planned in addition to focusing on provision for unemployed which would contribute to achieving contract.
- The summer works developments have been completed which has included the creation of a Higher Education Centre at Paget Road, completion of IT room upgrades and classroom improvements across the campuses with new projectors and flat screen TVs for presentations.
- Work has progressed on developing relationships with the City Council to support apprenticeships.
- Reported elsewhere on the Board agenda but of note was the success of the College in winning the contract for training in Mali – a contract of 4-5 years with a value of over £4m and a planned contribution of over £1m.

In receiving the Principal's report, the Chair congratulated the Principal on securing the Mali contract.

ACADEMIES UPDATE

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

- The Task and Finish Group has been established. The Chair of the Board of Governors, the Principal and the Chair of the Trust Board had met in early September and agreed to work on closer integration of back office services and curriculum synergy.
- Preliminary discussions on post 16 vocational links had been held. It was noted that the landscape in Wolverhampton was ever changing with discussions around the establishment of federations and consortia.
- The Chair of the Trust Board and the Principal had held a positive meeting with the new Vice Chancellor of Wolverhampton University.

- The Principal reported that there was a vacancy on the Academy Trust Board and that if any Governor was interested, would they please contact the Clerk.

54/11 **COMMITTEE MINUTES – SEARCH AND GOVERNANCE -
26 SEPTEMBER 2011**

The Chair presented the minutes of the Committee meeting and drew Governors' attention to Minute No 25/11 where the Committee had been pleased to note an aggregate Governor attendance figure for 2010/11 of 81% which was slightly above the target figure of 80% and compared favourably with the sector guidance figure of 70% and with the outturn for the previous three years. The Committee had agreed to recommend to the Board of Governors a target of 80% attendance for 2011/12.

Resolved:

That a target figure of 80% for aggregate governor attendance for the 2011/12 academic year be approved.

55/11 **COMMITTEE MINUTES – RESOURCES – 3 OCTOBER 2011**

In the absence of the Committee Chair, Mrs J Kitchen, Mr WA Parker presented the minutes of the Committee meeting. Mr Parker reported that most substantive items were on the Board's agenda but drew Governors' attention to the following:

Minute No 26/11 – Draft Outturn 2010/11 – This item was on the Board's agenda but Mr Parker reported that the Committee were clearly disappointed in the reduction in the surplus to £118,000 compared to the agreed target surplus of £708,000 although it was noted that the contract for 2010/11 was achieved and therefore the level of delivery for 2011/12 had been protected.

Minute No 28/11 – The Committee had considered a report analysing debtor balances and agreed to recommend to the Board of Governors the write-off of specific debtor balances relating to the period up to 2009/10.

Resolved:

That the Board approves the write off of the following debtors balances:

- | | | |
|----|---------------------------|---------|
| a) | General Students balances | £33,116 |
| b) | Other balances | £84,242 |

56/11 **COMMITTEE MEMBERSHIP AND COMMITTEE CHAIRING
ARRANGEMENTS 2011/12**

The Chair presented the proposals for committee membership and committee chairing arrangements for 2011/12.

The Chair reported that given that the Board had a number of recent appointments, the proposed membership sought to maximise the skills and experience of all governors and to add value to the committees. The proposals, which had been considered by the Search and Governance Committee, also sought to refresh committee membership and reduce the number of committees that some governors have served on, i.e. to spread the workload more evenly.

Resolved:

That the membership and committee chairing arrangements of the Board's committees for the 2011/12 academic year be approved.

57/11

DRAFT OUTTURN 2010/11

Governors received a report which provided an indication of the draft annual accounts for 2010/11 and an explanation of the background to the estimated outturn in the year. The following headline issues were noted:

- The Financial Statements Auditors have concluded their work and the draft outturn was now estimated at between £110-112,000 compared to the approved surplus target of £708,000.
- The explanation for the reduction in the approved surplus was that whilst the College achieved the full contract value for the Adult Skills budget in 2010/11, this was achieved by a higher level of partner delivery than had been anticipated in spring 2011. This meant that rather than retaining 100% of the income for work delivered on ER activity (as had been proposed) the College retained the management fee (20%).
- Whilst this caused a lower than anticipated level of income to be retained by the College in 2010/11, the contract level for 2011/12 was protected. Work with faculty teams over the summer had resulted in a large increase in the level of planned College delivery in 2011/12 compared to the outturn for 2010/11 – and this would be closely monitored going forward.

It was further reported that an adjustment was needed to the formal schedule underpinning the bank loan covenant with Barclays for the Wellington Road development. It was explained that the calculation the bank makes in respect of the ability of the College to service the debt does not account for the costs of staff restructuring which the College would include in the Annual Accounts for 2010/11. A schedule adjustment was therefore proposed, which needed a formal minute to confirm that the Chair of Governors/the Clerk sign the appropriate paperwork and that the amendments are agreed and accepted.

In considering the report, the Vice Chair commented that although the reduction in the targeted surplus was disappointing, given the current climate, any surplus, particularly for an educational establishment was deserving of praise. The Chair of Standards Committee endorsed this view and congratulated College management on the achievement of a surplus in the current volatile climate.

Resolved:

- i) That the amendments set out in the Letter of Variation are in the interests of and for the benefit of the College and are most likely to promote the success of the College and that such terms and conditions of the Letter of Variation be and are approved and accepted.
- ii) That the Chair of Governors and the Clerk to the Governors are authorised to sign the Letter of Variation on behalf of the College to indicate acceptance of the terms and conditions;

- iii) That the Bank is authorised to act in all matters concerning the Facility as amended by the Letter of Variation upon instruction from the College, in its capacity as Borrower of the Facility, signed in accordance with the Bank's mandate for any of the accounts of the College held with the Bank current from time to time.

58/11

STRATEGIC PLANNING

In the absence of the Vice Principal Business Strategy, the Principal presented the report on Strategic Planning, which

- Provided an update on ongoing strategy development; and
- Proposed a draft programme for the Governors' Strategic Forum on 7 November 2011, which, it was suggested should be held at the College's Polymer Training and Innovation Centre.

The following were of note:

The draft Strategic Objectives for 2011/12 were presented with associated KPIs and targets. An outline plan to monitor the implementation of the 2011/12 Strategic Plan was also presented together with an assessment of the risks associated with the Plan.

In respect of the next Strategic Plan 2012-2015, the Principal reported that the Strategic Forum on 7 November would be an opportunity to think through the strategic framework with Governors and consider the implications of key national policy. The theme for the next Strategic Plan was "Skills Ready; Work Ready; Citizen Ready".

It was reported that the development of strategies to diversify College income and develop strategic capabilities included opportunities for international activities, higher education, commercial opportunities and fees.

Points of discussion included:

- Opportunities arising from the new offender learning strategy outlined in the report "New Challenges, New Chances, next steps in implementing the further education reform programme
- Wolverhampton's City Strategy 2011-2026 "Prosperity for All". It was suggested that this should be referenced in the College's Strategic Plan.

59/11

FOUR YEAR FUNDING CHALLENGE – UPDATE

Governors received a progress report on the development of a mitigating actions framework which underpins the financial forecast through to 2014/15, by when it was estimated that up to a £5m (13%) reduction in funding would be imposed.

The following headline issues were noted:

- Governors were reminded that the College has already managed a reduction of £3m in funding that was imposed for adult responsiveness courses in 2010/11.
- It was reported that the College Executive Leadership Team (CELT) has progressed the plans around the target income increases of £2.650m. New income streams were confirmed.

- In respect of efficiency gains, the target by 2014/15 was £2.782m. To date, just under £1m of efficiency gains were targeted. Against the overall worst case scenario target of £5.432m, a further £1.493m of either efficiency gains or extra net income was to be identified by 2014/15. CELT were to undertake further work to pull detailed proposals together.
- Given that a 6 month “lead in time” was standard in agreeing actions; taking forward negotiations; implementing change, it was essential that by late December/early 2012 the framework for addressing the £5m gap was ‘signed off’ and agreed, so that CELT members could progress the framework.
- Governors noted the spreadsheet appended to the report which summarised the framework and the work being undertaken.
- Governors further noted a copy of the Accelerated College Efficiencies (ACE) report from KPMG which contained a number of cost saving opportunities across the College. It was reported that a number of the ACE report’s efficiency proposals had been agreed with a total target of £983,000. Consideration was to be given to other areas of the report which could be progressed.
- It was reported that a robust review of all overheads was needed, with a concerted effort to ensure that staffing levels were appropriate across all teams especially in cross college areas and that poor performance and high sickness levels were continuously and appropriately managed.
- Governors noted a framework agreed by CELT of the key principles that would guide the decisions that needed to be made. Keeping the interests of the student at the centre of all decision making was key.

In receiving the report Governors agreed to look at the figures in more detail at the Strategic Forum. It was suggested that a range would be useful, i.e. worst and best case scenarios.

Ms R Anderson left the meeting.

60/11 COLLEGE BUDGET 2011/12

In receiving the monitoring report on the College budget for 2011/12 Governors noted the following headline issues from the Executive Summary:

- The student enrolments at this point indicated that contracts on 16-18 Youth, 16-18 Apprentices and Adult Apprentices would be returned for the year at the budget levels.
- The overall Adult Skills budget would underachieve by £800,000 with the current expected enrolment levels for the full year. Faculty teams were working on developing programmes which would result in:-
 - Courses for addressing the long term unemployed needs of the city
 - Supporting an increase in apprenticeships
 - Programmes to upskill employees of companies in the workplace
 - Delivering community based activity working with the Academies

- New income sources have been secured since the budget was approved in July 2011. Detailed accounts would be provided that take on board these additional areas of work.
- Cash balances remain tight throughout the period December 2011 to April 2012, when balances from the funding agencies drop significantly. This would require close working with the bank and the SFA.
- Staff costs as a percentage of turnover were above sector average; there was no capacity to secure working capital given staff costs were above sector averages.