

# CORPORATION BOARD MEETING

Minutes of a meeting of the Corporation Board held at the Abingdon campus on  
Thursday 25<sup>th</sup> March 2010 at 6.00pm.

**Present:** John Raftery (Chair)      Neil Monaghan      **In attendance:** Di Batchelor  
Carol Baker                              David Quayle                      Miranda Coles  
Stephen Dexter                          Robin Smith                      Mike Gaston  
David Doughty                          Terry Stock                      David Bramble (Clerk)  
Sylvia Doyle  
Bruce Hunt  
John Kanimba  
Teresa Kelly (Principal)

Prior to the start of the Board Meeting, Di Batchelor gave a presentation on 'Safeguarding' summarising the College's processes and highlighting governors' responsibilities.

## Action

### 1. APOLOGIES FOR ABSENCE

Apologies for absence were received and accepted from Barbara Harker, Russell Paul, Steve Billcliffe and Sue Webb.

### 2. DECLARATIONS OF INTEREST

John Raftery declared an interest as pro Vice Chancellor of Oxford Brookes University, an institution which had Higher Education partnership agreements with the College.

Stephen Dexter declared an interest as a member of the HEFC Audit Committee.

### 3. MINUTES OF THE LAST MEETING

The minutes of the meeting held on 10<sup>th</sup> December 2009 were approved.

### 4. MATTERS ARISING

There were none.

### 5. PRINCIPAL'S REPORT (see Confidential minute)

*John Kanimba left the meeting*

## 6. PROPERTY STRATEGY – WITNEY RE-DEVELOPMENT

Terry Stock displayed some architect's impressions of the proposed Witney campus. He emphasised that it was a completely new scheme designed by different architects and governors should not regard it as a scaled down version of the £30.5m proposal. A masterplanning and options study had been conducted by Robothams (architects) and Capital Symonds (cost consultants). The conclusions of the study had been reviewed in detail by the Estates Strategy Committee (ESC). The proposed new scheme offered a mixed development of new build (951m<sup>2</sup>), high level refurbishment (2110m) and low level refurbishment (3439m). Blocks D1/D2 and E close with the currently decommissioned G block being re-opened. 6,500m of good teaching and learning space would be provided. The fitness for purpose ratings were detailed in the Board paper which also outlined benefits/opportunities and risks/ weaknesses.

The estimated cost of the self-funding project was £7.6m. After consideration of recently announced LSC funding cuts, the College's borrowing level had been calculated at £7m. A residual loan capacity of circa £2m remained for potential development at other campuses over a 5 year period. A projected analysis of the costs of the proposed scheme were given in the paper.

After an exploratory meeting with the WODC planning officer, verbal planning support had been received. Terry Stock advised that because of the use of old buildings, the highest BREEAM levels could not be achieved.

During an open discussion the following points were raised:

- a. A total College asset strategy should be considered, not Witney in isolation.
- b. How did the Witney proposal assist the College to succeed?
- c. If we do nothing what will be the impact on 2012 objectives?
- d. Living within cash limits was more important than 2012 objectives.
- e. Detailed business plan required before commitment to £7.6m project could be considered and before expenditure of £255k could be approved.
- f. Was there a possibility of a phased development?
- g. In volatile economic times, a comprehensive risk assessment was needed with many "what if" questions addressed and tested to destruction.
- h. Were there any reductions in costs to help justify the expenditure?
- i. Professional fees normally included design costs but these had been shown separately. Detailed breakdown of £915k prelims, design & contingencies and £596k professional fees required.
- j. Estimated costs of External Works seemed modest at £375k. What would the "feel" of the campus be like?
- k. Avoid OJEU regulations if possible – explore other options available
- l. Future depreciation costs would increase following new build.
- m. Were any VAT payments recoverable?
- n. As global economic situation improves, inflation and costs would rise (remember 17% interest rates in 1970s). Have means of negotiating limits to increased costs been explored?

The following brief responses were given to some of the points raised:

- cc. Mike Gaston opined that to do nothing would result in a high financial risk for the College - there would be significant restraints to the curriculum offer – student recruitment would decrease. The development was key to the achievement of Destination 2012 objectives.
- jj. Terry Stock explained that the new, attractive 'gateway', open space in the centre of the site and fit for purpose learning areas should produce a good feel to the campus.

- mm. Miranda Coles advised that VAT payments were not recoverable
- nn. Miranda Coles reported that Barclays had advised that a 6% interest rate on borrowing would be a reasonable estimate resulting in an increase in annual repayments to £450k from the original forecast of £300k.

Teresa Kelly explained that three governors had attended the last ESC meeting and had the benefit of reviewing the Carter Jonas Report. Answers to many of the understandable queries from governors, who had not been provided with the detail considered by ESC, were available. At this stage, the Board was being asked to approve expenditure of up to £255k in order that the project could be progressed to the next stage. Some concern had been expressed at such a level of expenditure. The majority of the expenditure was end-loaded and would be incurred in the period August to October.

John Raftery thanked governors for their appropriate “challenge” to the proposals for development of the Witney campus – some very valid points had been made. However, a decision had to be taken in the context of “we cannot do nothing”. Governors would recall that the estimated costs to make the existing buildings useable were £4m and the original estimate to bring the campus up to a ‘fit for purpose’ condition had been £11m.

It was agreed that the planned Strategy Day on Saturday 22<sup>nd</sup> May would be held at the Witney campus and be devoted entirely to deciding the future of the Witney campus. Various scenarios should be presented from “do nothing” to various developments over a range of affordable costs. John Raftery stressed the need for papers to be circulated well before the 22 May and suggested that papers were ‘drip fed’ as soon as they were available.

Teresa  
Kelly

## **7. REPORT OF THE VICE PRINCIPAL**

### **7.1 LSC Targets 2009-10**

#### **14-19 Responsive**

Numbers and funding allocation exceeded. Growth in 16-19 particularly strong.

#### **Carterton Developments**

The options appraisal had been completed and a preferred proposal for a Skills Centre to cover West Oxfordshire had been made. The West 14-19 Partnership supported this proposal and a request for capital funding from the Local Authority and DCFS had been submitted.

#### **Abingdon 14-19 Partnership Ofsted Inspection**

On 26-28 January an inspection of the Partnership had been conducted by three inspectors looking in particular at the introduction of Diplomas. In summary, the Partnership was making ‘satisfactory progress’ in implementing diplomas and functional skills. The College was making ‘good progress’ in implementing the creative and media Diploma.

#### **Not in Education, Employment or Training (NEET)**

The College continued to work closely with key partners and OCC to identify solutions to reduce the number of NEET and was represented on the Oxfordshire Learning and Skills Partnership. Work on a number of key projects in partnership with the Connexions Service continued.

### **7.2 Adult Responsive**

Enrolments and funding were well placed to meet targets. Provision post Easter would be monitored closely and, if necessary, reduced in order that unnecessary costs were not incurred.

### **7.3 Franchise**

The College was on course to meet targets. Franchise Partners had been warned of the shift in funding to priority provision.

### **7.4 Employer Responsive**

Slightly below target but further recruitment was planned for the summer term. Apprenticeships, particularly 16-18, were a main driver in the government's skills strategy. The College had made some progress in broadening its provision, specifically with NHS and local Primary Care Trusts and continued to investigate ways of expanding numbers both as a provider and employer.

### **7.5 HEFCE**

Thames Valley University had advised that they were not offering the Fd Sc Complementary Approaches to Healthcare at their Ealing campus from September 2010. Discussions with a view to terminating the contract would commence on 20 April.

### **7.6 Funding Allocations 2010 – 11**

Mike Gaston briefly summarised the roles of the two new funding agencies: the Young People's Learning Agency (YPLA) working with Local Authorities for 16-19 provision excluding Work Based Learning: Skills Funding Agency, an agency of the Department for Business, Innovation and Skills working alongside Regional Development Agencies and responsible for funding all post 19 educational Institutions and employers, but not universities.

#### **16-18**

An increase of 6% in learner numbers and 4% in funding.

#### **19+**

Reduction of 9% in learner numbers and 25% in funding. Although there was a 5% increase for 16-18 Apprenticeships, reductions at 19-24 and 25+ resulted in an overall decrease of 2% for Apprenticeships. Train to Gain reduction of 21%.

### **7.7 Actions against 2012 Objective 1 targets**

On 8 March the Performance Committee noted that success rates, particularly some 16-18 and 19+ long courses, were potentially not on course to meet Destination 2010 Objective 1 targets. Mike Gaston outlined the actions taken to mitigate the situation:

- Introduction of KPI monitoring meetings, Chaired by the Principal, with individual Programme Area Managers
- In the case of specific under performance, the identified course was referred to the Quality Improvement Panel
- Improvement strategies and action plans had been established for each course considered to be falling short of target success rates
- Monitoring of retention rates and promotion of better data ,management carried out by Directors direct with Programme Area Managers.
- Deployment of Advanced Lecturers across the College to observe and share good practice

### **7.8 National Recognition**

In the area of e-learning the College had received the following awards:

- Runner-up in JISC SE e-learning Hi5 awards
- Award of 'Developing Provider' status by BECTA
- Receipt of funding from LSIS for research work in Digital Learning and Staff Development.

The Report of the Vice Principal, Curriculum was noted.

## 8. SHARED SERVICES (see Confidential minute)

## 9. FINANCIAL MATTERS

### 9.1 Management Accounts to 28 February 2010

Miranda Coles presented the management accounts for the seven months to the end of February which had been prepared in accordance with the budget approved in July 2009. The Income and Expenditure account showed a surplus before pension and asset adjustments of £544k compared to budgeted figure of £715k. After adjustments the surplus was £370k compared to a budget figure of £540k. The inability to recruit for Sound & Media FD and Public Sector HE courses had resulted in a shortfall of £114k. An increase in the number of students remaining at Witney schools to study A-levels had produced a shortfall of £53k in the UK FE Contracts budget. The Advanced Business Solutions income stream was slower than anticipated. The overspend of £174k on Hourly Paid Lecturers related largely to the costs of Work Based Assessors and of Tutor Markers employed after the end of the last financial year to work on distance learning scripts. In response to questions Miranda Coles confirmed that the outstanding amount from Oxford Brookes University had now been received and there had been a 5 day gap between payment of the invoice for temporary accommodation and receipt of the bank loan.

**Resolved to:** approve the Management Accounts to 28 February 2010.

### 9.2 Revised Budget 2009 – 10

Miranda Coles advised that the revised budget had been subject to a detailed review by the Finance & Employment & Committee. Significant variances to the original budget had been explained in the paper accompanying the agenda. In answer to a question it was confirmed that any possible redundancy costs in 2009 - 10 would be offset by savings on unfilled posts.

**Resolved to:** approve the revised budget for 2009 – 10

### 9.3 Application for dispensation from interim regularity audit

Following the recommendation of the Audit Committee, it was

**Resolved to:** approve the submission of an application for dispensation from interim regularity audit.

### 9.4 Bank Loan

Miranda Coles reported that following governors' approval out of committee to arrange a 5 year bank loan of £1m (one million pounds) for the purchase of the temporary accommodation units, a loan at a fixed rate of 3.98% had been arranged with Barclays Bank plc.

**Resolved to:** ratify the arrangement of a bank loan of £1m (one million pounds) for 5 years at a fixed rate of 3.98% with Barclays Bank plc.

### 9.5 Bank Mandate

Miranda Coles explained that the mandate of authorised signatories for the Barclays Bank plc account needed revision to reflect the changed designations of the Senior Management Team.

**Resolved to:** authorise the Chair to sign an amended bank mandate authorising the signing of cheques, entering into transactions or agreements, giving instructions concerning the operation of the Corporation's bank accounts and registering the Corporation for the Bank's computer and telephone banking services.

## 10. RE-APPOINTMENT OF FINANCIAL STATEMENTS AND REGULARITY AUDITORS

Following the recommendation of the Audit Committee it was

**Resolved to:** re-appoint MacIntyre Hudson LLP as Financial Statements and Regularity auditors for 2009 – 10.

## 11. MONITORING OF RISKS

The College Risk Report listing high level risks was reviewed. It was noted that there had been no significant changes to risk ratings since November 2009. Miranda Coles explained that the Audit Committee had approved a new grading system of 1 to 5 to replace the current 1 to 3 which would produce greater differentiation.

It was suggested that SMT might consider the danger of slow decision making by the agencies taking over LSC's responsibilities from 1 April.

The Risk Report was noted.

SMT  
Miranda  
Coles

## 12. PROPERTY STRATEGY

### 12.1 Estates Strategy Committee – Terms of Reference

The draft document was considered. The composition was agreed with Terry Stock appointed to Chair the Committee, David Doughty (Chair Finance & Employment Committee) and David Quayle as members.

As this was a Corporation Board Committee, the suggestion that all reference to LSC, or subsequent approval agencies, should be removed was accepted. The quoracy of the Committee should be stated. It was agreed that a revised draft should be submitted to the next meeting of the Corporation.

SMT  
Sue  
Webb

### 12.2 Oakley College

Teresa Kelly reported that new premises had not yet been secured. An eminently suitable building at Milton Hill owned by WRVS had been found and the contribution that MacIntyres were prepared to invest was being investigated.

SMT

## 13. REVISED EQUALITY AND DIVERSITY POLICY AND SINGLE EQUALITY SCHEME AND ACTION PLAN

Di Batchelor presented the revised plan and scheme. It was explained that the Principal would Chair a new Group set up to monitor progress on the action plan.

In view of the commonality of the policy and scheme, it was suggested that they were combined into a single document. Di Batchelor advised that the College was working towards this and it was hoped that next year a single document would be produced.

**Resolved to :** approve the revised policy and single equality scheme.

**14. SAFEGUARDING POLICY**

An updated policy document was presented by Di Batchelor.

**Resolved to:** approve the amended Safeguarding Policy document.

**15. MINUTES OF CORPORATION BOARD COMMITTEE MEETINGS**

The following minutes of Committee meetings were approved:

- Audit Committee of 4 March 2010
- Performance Committee meetings of 30 November 2009 and 8 March 2010
- Finance & Employment Committee of 10 March 2010.

**16. GOVERNANCE MATTERS**

**16,1 Board Objectives 2009 – 10**

David Bramble reported that the circulated report showed that satisfactory progress had been made at the mid year point on all the listed objectives.

**16.2 Review of Governance & Strategic Leadership in English Further Education**

It was agreed that the Clerk should produce an action plan of Appendix C of the recently published report which had been commissioned by AoC and the Learning and Skills Improvement Service (LSIS).

David  
Bramble

**16.3 Strategy Day – Saturday 22<sup>nd</sup> May 2010**

It was agreed that the future re-development of the Witney campus, taking into account the points raised at Minute 6 above, should be the main thrust of the meeting which would be held at the Witney campus.

Teresa  
Kelly  
David  
Bramble

**16.4 ADDITIONAL BOARD MEETING**

It was agreed to plan for an additional meeting early in the next academic year. Thursday 14<sup>th</sup> October was approved as a tentative date.

David  
Bramble

**17. ANY OTHER BUSINESS**

There was none.

**Future meetings: Saturday 22<sup>nd</sup> May, 9.30am, Strategy day at the Witney campus**

**Thursday 8<sup>th</sup> July 2010, 6.00pm, Corporation Board, Abingdon campus**

Signed .....

David Doughty  
Vice Chair

8 July 2010