

CORPORATION BOARD MEETING

Minutes of a meeting of the Corporation Board held at the Abingdon campus on
Thursday 8th July 2010 at 6.00pm.

Present:	Carol Baker	Russell Paul	In attendance:	Di Batchelor
	Stephen Dexter	David Quayle		Steve Billcliffe
	David Doughty (Acting Chair)	Terry Stock		Miranda Coles
	Sylvia Doyle			Mike Gaston
	Barbara Harker			Sue Webb
	Bruce Hunt			Sandra Higgs (OCC)
	Teresa Kelly (Principal)			[From Item 7]
				David Bramble (Clerk)

In the absence of John Raftery, the Chair was taken by the Vice Chair, David Doughty.

Sandra Higgs, Strategic Lead 14-19, Oxfordshire County Council, was welcomed to the meeting as an observer.

Action

1. APOLOGIES FOR ABSENCE

Apologies for absence were received and accepted from Neil Monaghan, John Raftery and Robin Smith

2. DECLARATIONS OF INTEREST

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

3. MINUTES OF PREVIOUS MEETINGS

The minutes of the meetings held on 25th March and 22nd May 2010 were approved.

4. MATTERS ARISING

None.

5. PRINCIPAL'S REPORT

5.1 Post Election Developments

Teresa Kelly's report identified the government reforms and initiatives that would impact on the College. She advised that overall the FE sector was relatively unscathed by the cuts to date. It was thought that the new Ministerial team regarded FE as an efficient sector compared with many others and had a central role in delivering post 16 education and training that would assist in the achievement of government projections of economic growth. However, the College had to be alert to expected further changes and be pro-active in developing new provision.

5.2 Staff Reduction Exercise

Teresa Kelly reported that the exercise had been completed with a reduction of

38 staff, equating to 24 FTEs, primarily through voluntary redundancy, natural wastage and staff reducing hours. 3 FTE posts in the day nursery were designated as compulsory redundancies but all had found alternative employment apart the Manager who was taking a temporary break from work. Di Batchelor and the HR team were commended on the efficient, sensitive handling of the exercise which had been supported by all staff and the joint staff unions.

The required £1m reduction in staff costs for next year had been achieved, the impact on the overall provision was minimal and was balanced by the introduction of Hairdressing and Construction at Witney.

The Senior Management Team would be reduced from 6 to 4 posts and a diagram outlining the revised roles and responsibilities had been attached to the report. The Principal would monitor the new arrangements closely and ensure that the senior team were coping with their extended responsibilities.

5.3 Response to student issues

A number of student consultation events had been held culminated in a 'Learner Conference'. One of the outcomes had been the decision to designate all campuses as non-smoking.

5.4 Student Celebrations

The annual student awards ceremony was held at Blenheim Palace with Joanna Simons, CEO of OCC as guest speaker. The event was an outstanding success.

The Prime Minister formally opened the Propeller project at Common Leys on 2nd July spending over an hour on the campus. He went on to the Witney Chamber of Commerce to present their annual student of the year award to Zoe Gasgcoigne.

5.5 Organisation of Reports to the Board

Following advice from Board members, detailed funding information provided in the Vice Principal's Report would be attached to the management accounts and would be reviewed by the Finance & Employment Committee. A College Annual Report would be produced and the end of year finance report would be presented in a clearer format showing trends.

The Principal's report was noted.

VICE PRINCIPAL'S REPORT

6a.

Mike Gaston presented the Vice Principal's Report.

6.1 Student Numbers and Funding

Detail of current position was attached to the management accounts. In summary:

- 16-18 standard learner numbers (SLN) targets exceeded by 6% with an increase from last year of 152 SLN. Funding targets exceeded by 5%.
- Adult responsive (19+) SLN targets exceeded by 5% with an increase from last year of 121 SLN. Funding target exceeded by 3%.
- Employer responsive (Apprenticeships, Train to Gain etc) 25% short of

target.

Summary of 2010-11 funding and number allocation (detail in budget item 7.2):

- 16-18 allocations represented 9% increase in SLN and 7% increase in funding
- Adult responsive (19+) showed 8% decrease in SLN and 25% decrease in funding
- Employer responsive represented 2% decrease in funding

All curriculum areas were planning for growth for 16-18 year olds. New provision, Hairdressing, Construction and Foundation (Gateway Centres) would provide growth to meet higher targets.

6.2 Diplomas

Recruitment to diplomas courses offered in partnership with schools had been challenging. Nationally, success rates to date had given rise to concerns over the appropriateness of the levels and achievement of Functional Skills as a prerequisite to success. DfE had announced that diplomas would no longer be an entitlement and partnerships were not obliged to offer the qualification. The College would continue to support schools through partnerships in delivering 14-16 and continue to offer diplomas post 16 where it was thought appropriate.

6.3 Gateway Centres

Gateway Centres were the College's response to meeting the needs of the hard to reach and disengaged learners within our area. Based at Abingdon and Witney, the Centres would offer destination-led, personalised learning programmes for 16-18 year olds and be accessible at any point throughout the year. Students would be helped to identify and achieve their preferred destination which may include roll-on L1 courses, apprenticeships, L2 courses or higher employment with training.

6.4 Construction Skills

In partnership with the West Oxfordshire schools consortium, a range of construction courses would be offered from September (see min 10.2 below).

6.5 Hairdressing

Although a key part of the Witney development project, it was felt that the delivery of Hairdressing should commence in September. Temporary accommodation had been found and a new member of staff appointed.

6.6 Tutorials

After review of tutorial provision and cross college core programmes, the following elements had been identified as essential:

Induction Progress Review and Target Setting Enrichment Careers and Progression

6.7 Special Projects

A number of special projects would be introduced in September:

- E-learning and introduction of e-ILPs (electronic individual learning plans)
- Functional Skills delivery across all programme areas
- Provision of Study Support
- A redesign/reconfiguration of the Abingdon Learning Centre to create integrated learning resource facilities and support for students and teaching resource facilities and support for staff.

6.8 Quality Improvement

In September 2009 the College introduced a more targeted quality improvement system. SMT monitored course performance and identified any at risk of falling below acceptable standards. Programme Area Managers were required to attend curriculum area reviews four times per year where actions for improvement, if required, were determined. If insufficient progress had been made, the course would be referred to the Quality Improvement Panel who reported outcomes to the Performance Committee.

The Vice Principal's report was noted.

FRANCHISE REPORT

6b.

Mike Gaston reported that the College was on course to meet the 2009/10 franchise targets with the exception of the Home Farm Trust which had produced only 3 learners compared to the expected 8. It was not proposed to continue the contract in 2010/11.

The College received a small funding stream for Public and Community Development Learning set at £28k for 2010/11. In addition, a percentage of the College's overall grant of £2.4m could be used for developmental learning. It was proposed to allow 2.5% for developmental learning for next year (£60k).

Resolved to: approve the franchise report and level of activity for 2010/11.

7. FINANCIAL MATTERS

7.1 Management Accounts to 31 May 2010

Miranda Coles reported that the Income and Expenditure account showed a surplus before adjustments of £334k compared to a revised budget figure of £261k. After pension and fixed asset adjustments, the surplus fell to £85k compared to a revised budget surplus of £11k. Using framework for excellence criteria, the Financial Health grade remained 'Good'. Cash balance at the end of May was £1,939k. As detailed projections for the Witney project were not yet available the only provision made was acquisition of land and demolition costs. Restructuring costs had been incorporated in the July payroll.

Funding and Number Targets The College had maintained its predicted growth at 16-18 with an additional 71 students. The improved funding position against target in comparison with last year was noted. Governors were reminded that SFA would not pay for any over delivery.

Funding allocations for 2010/11 were:

- | | | | | |
|---------------------------|-----------------|---------|-----------|----------|
| • 16-18 (YPLA) Allocation | Learner numbers | 2038 | [+ 226] | (+12.5%) |
| | Learner Funding | £8.978m | [+ £606k] | (+7.2%) |
| • 19+ (SFA) | SLN | 1067 | [-96] | (-8.8%) |

Learner Funding £2.443m [-£814k] (-25%)

- Employer Responsive (SFA) Apprenticeships £194k [+£24.5k] (+14.5%)
Train to Gain £351k [-£37k] (9.5%)

Resolved to: to approve Management accounts to 31 May 2010

7.2 Budget 2010 – 11

Miranda Coles presented the proposed budget. She explained that although funding allocations had been received from SFA and YPLA, the full extent and detail of government cuts would not be known until October. The draft budget, which had been reviewed in detail by the Finance & Employment Committee, was based on the following principles:

- To secure further improvements in student success rates and to provide the required resource levels to meet the growth in student numbers
- To demonstrate an increase in total income in order to move the College towards 2012 objectives
- To reduce pay costs by £1m following the staff reduction exercise
- To incorporate the revenue costs of the self-funded capital building project at Witney
- To provide a special projects fund which would enable additional investment in e-learning and provide growth and a development fund
- To provide a general College contingency
- To provide a surplus which could be reinvested in future activities.

Two income streams – Train to Gain and Full Cost Income were rated as high Risk. A financial ‘cushion’ would be provided by withholding elements of certain non-pay categories at the start of the year.

Summary

	Revised Budget 2009/10	Draft Budget 2010/11	Change
Income	£18,486k	£18,882k	+ 2%
Non pay including contingency	£ 6,434k	£ 7,500k	+17%
Pay costs	£11,687k	£10,756k	- 8%
Surplus before pension adjustment	£ 364k	£ 477k	+ 3%
FRS 17 pension adjustment	£ 300k	£ 300k	0%
Adjusted surplus for year	£ 64k	£ 177k	+ 3%

Pay Costs

The cut in £1m in pay costs results in the loss of 19.98 FTE posts through voluntary redundancy, the closure of the nursery and 3.98 FTE posts through applications for flexible working.

Capital (non Witney)

The budget provides for capital expenditure of £250k which would provide additional investment in IT and curriculum equipment.

Surplus

Surplus before adjustments was £627k. Provision of £150k had been made for potential costs for the development of shared services and £300k for FRS 17

pension charge resulting in a surplus after adjustments of £177k.

In answer to a query, Miranda Coles confirmed that the Finance & Employment Committee had carried out a sensitivity analysis of the proposed budget.

A further question asked if the FE sector was 'public sector' and therefore subject to the pay freeze. Teresa Kelly advised that the College was independent and not subject to the government's pay freeze. However, as most of the College's income came from Public Funds she suggested that there was a moral commitment to heed government pay policy. AoC was currently recommending a pay award of 0.3% which fell far below union expectations.

Resolved to: approve the budget 2010-11 and proposed capital expenditure.

7.3 Three Year Financial Plan 2010/11 to 2012/13

Miranda Coles explained that the plan was an integral part of the College's strategic and development plans and had to be submitted to the SFA for approval by 31 July 2010. Unlike previous years, no guidance on assumptions had been received so the College had made its own.

SFA guidance stated that non-approved capital projects should not be included in 3 year plans. However, the Area SFA Head of Provider Management had suggested that the plan for Witney re-development should be used as a basis for the 3 year plan. An additional complication had arisen as the College may have to submit a second version of the 3 year plan as an appendix to the application for a £1m grant towards the costs of the Witney project. The second version could only include elements of the project that fell within the specified criteria which included 'complete and fully operational in time for the commencement of the 2011/12 academic year'.

It was agreed that if a second version of the 3 year financial plan was required, approval of the plan was delegated to the Finance & Employment Committee.

Resolved to: approve the 3 year financial plan.

7.4 Update of Financial Regulations

Miranda Coles reported that Financial Regulations had been updated largely to replace references to LSC with the new funding agencies. The amended version had been reviewed by the Audit Committee which had recommended the insertion of "all" expense claims in paragraph 6.3 relating to the Principal's claims.

Resolved to: approve the updated Financial Regulations document.

7.5 Amendment to Bank Mandate

Following changes to the composition of the Senior Management Team, Sue Webb would cease to be an authorised signatory of the College's bank accounts after 31 July 2010 and Steve Billcliffe after 31 August 2010. The substitution by Jonathan Russell and David Bramble was agreed.

Resolved to: approve the amendment to the College's bank account mandates deleting Sue Webb with effect from 31 July 2010 and Steve Billcliffe from 31 August 2010 and insertion of Jonathan Russell and David Bramble from 1 August 2010.

8. RE-APPOINTMENT OF INTERNAL AUDITORS

Following the recommendation of the Audit Committee it was:

Resolved to: re-appoint RSMTenon as internal auditors for 2010 – 11.

The Audit Committee's recommendation that, as a matter of principle, the appointment of auditors should be subject to tender action every six years was approved.

9. RISK MANAGEMENT REPORT

The Risk Management report was presented by Miranda Coles. It had been reviewed at the Audit Committee meeting held on 17 June. It was noted that the following new medium level risks had been included:

- New coalition government introduced more swingeing cost-cutting measures than anticipated
- Partnership schools took advantage of the opportunity to become academies and offer stronger competition to the College

Resolved to: approve the Risk Management Report subject to the change in total score and rating of item 5.6

Miranda
Coles

10. WITNEY RE-DEVELOPMENT

Sue Webb reported that good progress had been made since the Board's approval of the new £7.4m scheme for the Witney campus. Revised drawings had been received on the day of the meeting and would be considered by the Estates Strategy Committee on 14 July.

10.1 SFA Renewal Grant

On 24 June SFA issued guidelines for 158 eligible colleges to receive a renewal grant. Each eligible college would receive £225k in August provided that:

- The funding would be used for appropriate purposes
- It could match the grant by two thirds ie £450k. Project value therefore had to be a minimum of £675k.

10.2 SFA Enhanced Renewal Grant

Eligible colleges were also invited to bid for an enhanced renewal grant of a further £775k matched by two thirds ie £2,325k. The maximum grant was therefore £1m towards a project of minimum cost of £3m. with the option of using both grants for the same project. Conditions were onerous and included:

- Bids had to be received by 30 July 2010
- Sketch plans and elevations to design stage C
- A cost breakdown analysis
- Project must be completed and operational by September 2011
- Financial projections had to provide evidence that the college's matched contribution was affordable
- SFA reserved the right to recover funds in the event that project costs were less than originally approved or had not been used for the agreed purposes.

SMT had agreed that both grants should be used for the Witney scheme. The design team had concluded that a bid for £775k by 30 July was achievable. The 'project' would include:

- All demolition works
- Making 'A' block watertight (split building)
- New build of 'N' block
- Associated landscaping

The estimated value of this Phase 1 of the Witney scheme was circa £4.1m. The design team had been asked to identify whether any additional costs would be incurred by phasing the full scheme agreed for Witney which was not due to be completed until February 2012 and this information would be available for the Estates Strategy Committee meeting on 14 July.

In answer to a question Sue Webb advised that she had asked SFA if concurrent approval for the full Witney scheme and the enhanced renewal grant would be given but although there were hints that this may be possible, no definite answer had been received. After a discussion it was agreed that applications for renewal and enhanced renewal grants should be made subject to an assurance from the design team that there were no significant costs attached to phased works with part completion by September 2011.

10.3 Abingdon re-development

A vision for the complete refurbishment of the ground floor of 'D' block had been developed but was stalled due to funding restraints. SMT would investigate if part of the scheme could be implemented to achieve more modern and innovative space for students to learn.

SMT

10.4 Oakley College

The Oakley provision would be re-located into refurbished buildings on the Abingdon campus vacated by the Nursery. Works were scheduled for completion by the end of August 2010. The project would be funded from a regional grant of £200k received from LSC several month ago.

In answer to a query, Teresa Kelly confirmed that there was no requirement to obtain change of use approval from the Planning Authority.

The Board noted the progress on the Abingdon re-development and the relocation of Oakley College.

Resolved to: a. approve the project details for Witney in order to submit a bid for an enhanced renewal grant as follows:

- confirmation of the project scope
- expenditure of circa £4.1m as part of the full project approved on 22 May 2010 of £7.4m
- loan requirement up to a maximum of £4.1m as part of the maximum loan facility of £7.25m for the full project approved on 22 May 2010

but subject to:

- b. delegation to the Estates Strategy Committee of the final decision which would be made only after the Committee were reasonably assured that no additional costs would be incurred in meeting the criteria for the enhanced renewal bid with the subsequent phasing of the Witney scheme.

Terry
Stock

10.5 West Oxfordshire Learning Partnership Skills Centre

Teresa Kelly presented a proposal to purchase a property for use as a vocational training facility. She reminded governors that the seven secondary schools and the College which formed the West Oxfordshire 14-19 Learning Partnership had received a grant of £500k from the DfE, administered by OCC, through the Rural Renewal Fund to provide a skills centre.

The Centre would offer courses in bricklaying, plastering, carpentry, painting and decorating and plumbing to 70 x 14-16 year olds per week. Courses would also be offered on a full time basis to 24 x 16-19 years olds. Qualifications offered would be a combination of City and Guilds and BTEC with training being given by UK Skills.

An offer of £300k plus VAT had been accepted by the vendor for Unit 23, Avenue 1, Station Lane, Witney. The offer was subject to receiving planning permission for change of use. A refurbishment schedule for conversion of the premises had been produced and put out to tender for completion in time to open in September. Upon purchase, the College would become the legal owner of the premises which become an addition to the assets of the College.

- Resolved to:**
- a. To receive the report
 - b. To approve the purchase of Avenue 1, Station Road, Witney at a purchase price of £300,000 plus VAT subject to satisfactory planning permission and full grant funding from OCC being received prior to the purchase being made
 - c. To note and support the expansion of the College curriculum offer and the Partnership with the West Oxfordshire Schools.

11. MINUTES OF CORPORATION COMMITTEE MEETINGS

11.1 Audit Committee

Stephen Dexter confirmed that a resolution to the wording of the internal audit report on Employer Responsive provision (min 5.6) had been found.

The minutes of the meeting of 17th June 2010 were approved.

11.2 Performance Committee

Bruce Hunt highlighted some significant items of the meeting. The Student Survey had shown a decline in satisfaction but there were a number of mitigating factors. The Committee felt that appropriate actions had been taken. Some changes to the conduct of lesson observations had been made to reflect the Ofsted recommendation that the College should focus on learning rather than teaching. It was pleasing to note that overall there had been an improvement in the grades of lesson observations.

The minutes of the meeting of 21st June 2010 were approved.

12. GOVERNANCE MATTERS

12.1 Governor Training

Sylvia Doyle reported on the AoC/LSIS Board Briefing on Finance and Funding in Difficult Times. It had stressed identification of priorities and had looked at live accounts from colleges. She had made some suggestions to SMT on how the College's accounts could be made easier to understand by non-accountants.

Bruce Hunt had attended a LSIS presentation on the new Ofsted framework for inspections. The main focus on governance was “challenge and support” of senior management. Governors were expected to know their responsibilities for all aspects of the ‘Every Child Matters’ agenda, particularly Safeguarding, Equality & Diversity and Health & Safety.

12.2 Re-appointments of Governors

In accordance with College Standing Orders, notification and self evaluation reports for two governors had been circulated.

Resolved to:

- re- appoint John Raftery for a further term up to 31 July 2011.
- re-appoint David Doughty for a further term up to 31 July 2013.
- appoint Terry Stock as an Associate Governor for a period of 2 years to 31 July 2012 and to confirm his appointment as Chair of the Estates Strategy Committee for this period.

12.3 Calendar of Meetings for 2011 – 12

In view of the number of government changes already announced, possible additional cuts in funding arising from the government spending review the results of which would be announced in late September and the need to launch a new strategic plan, it was suggested that the Strategy Away Day should be held in October/November 2010. It was also suggested that consideration should be given to meeting on a Friday afternoon with accommodation available for governors wishing to stay overnight. The use of outside speakers was also suggested. The Clerk was asked to circulate some suggested dates.

**David
Bramble**

Proposed dates and schedule of main business items for next year were approved subject to the insertion of a meeting of the Remuneration Committee early next term.

**David
Bramble**

13. ELECTION OF CHAIR AND VICE CHAIR FOR 2011 – 12

David Bramble reminded members that at the next meeting on 14th October 2010, the first agenda item would be the election of Chair and Vice Chair. Self nomination or by Proposer and Seconder were acceptable methods and it would help if the Clerk could be advised of nominations by 12th October.

**All
Governors**

14. ANY OTHER BUSINESS

14.1 Informal Supper

To mark changes in SMT and governors, it was agreed that it would be an appropriate time to have an informal evening social event. David Bramble was asked to ascertain availability of members for an informal supper in late September/early October.

**David
Bramble**

14.2 Valediction

Terry Stock was not seeking re-election as a governor. The Chair paid tribute to the contribution Terry had made in his 12 years as a governor of

Abingdon College and the merged Abingdon and Witney College. He had served on various Committees, he was Chair of the Corporation from March 2003 to December 2008, Vice Chair from December 2008 to July 2009. He was Chair of the panel which appointed Teresa Kelly as Principal. Throughout his term as a governor Terry had shown a significant commitment to the College and had been of great support to the Principal during his period as Chair. His wise counsel, unflappable approach to problem solving and good humour had been a valuable contribution to the progress of the College. The Board was grateful that he had agreed to continue as Chair of the Estates Strategy Committee to see the completion of the Witney re-development project.

Sue Webb had served Abingdon College for 15 years joining as Registrar and Clerk to the Corporation Board and becoming Chief Administrative Officer. On merger she was appointed Director of Finance & Estates and became Assistant Principal, Capital Projects for the last 3 years. She had given outstanding service over 24 years and David Doughty said he would remember her for the ability, during the last 3 years, to smile as each obstacle arose and show great resolve to tackle and solve the challenge. Sue was wished a healthy and happy retirement.

Sue Webb thanked the Board for their good wishes and recounted some of the memorable events during her time at both Colleges.

It was suggested that to mark Terry Stock's long and distinguished service as a governor, Sue Webb's retirement and Steve Billcliffe's forthcoming retirement, an informal supper should be arranged for early next term. David Bramble was asked to circulate some suggested dates.

**David
Bramble**

Next meeting: Thursday 14th October 2010, 6.00pm at the Abingdon campus

The meeting ended at 8.25pm