



**MINUTES OF THE MEETING OF THE CORPORATION HELD
5 JULY 2011**

Present	Mr M Bonsier (Chairman) Ms C Guy Mr D Goodlet Mrs G McCarthy Ms K Miller Mr I Payne Mr R Priestley Mr J Spooner Cllr C Wright Mr H Gunatra	
In attendance	Mr J Allen Ms T Trotter	-Clerk to the Corporation -Director of Finance

The meeting commenced at 6.30 pm

APOLOGIES & DECLARATION OF INTERESTS

80. Apologies were received from Mr U Kaweesa, Ms Y White, Mr D Attah and Ms L Clayton. Cllr C Wright declared his interest in being a local Councillor and member of the Planning Committee. There were no other declared interests against any of the agenda items. The Clerk confirmed that the meeting was quorate.

81. The Chairman placed on record his sincere thanks to the Board, Principal and Executive Group for the recent ceremony and the dedication of the theatre in his name in recognition for his services to the College. He and his family are greatly touched by such an honour.

MINUTES

82. It was **RESOLVED** that the minutes of the meeting of the Corporation held on 29th March 2011 be approved as a correct record and signed by the Chair.

83. It was **RESOLVED** to note the notes of the Governor's Strategy meeting held on Saturday 21st May 2011. The Principal thanked all governors for attending and making time available on a Saturday. The day was very productive with many issues raised, debated with agreed outcomes to move forward on. The notes circulated recorded the major matters arising from the day.

MATTERS ARISING

84. There were no matters arising.

COLLEGE CAPITAL PROJECT

85. The College report '*Capital Project Update*' was received (copy attached to the signed minutes).

86. It was reported that the project remains ahead of schedule and the budget has contingencies to cover for some unseen costs. Financial Report 21 presented to F & GP that met on 21st June indicated a contingency of £250K. In addition, in the full project budget there are considerable contingent sums (VAT, Professional Fees). These were also reported at F & GP. The outstanding remaining issue is the lack of sound attenuation between the atrium and the learning 'blocks'. This may incur extra cost but is vital to provide a building with an acceptable level of internal noise pollution.

87. The two target dates left for the project are 24th August for entry at the front of the building and full completion on 5th October. Both of these dates will be achieved.

88. The F & GP approved spending of £25K to complete the full design proposals for a modular building (a pavilion) and to attempt to gain early temporary approval. The terms of this approval are as stated below:

- Programme and implementation strategy with a target completion of date of 31 October 2011 subject to gaining planning consent
- Project costs of a guaranteed maximum price of £250K that will increase to £320K including VAT, planning costs and fees

89. It was agreed at the meeting of F&GP to seek Corporation approval to delegate final approval to the proposed capital build to the Committee and this is a later agenda item.

90. Clarification was sought on any level of risk of the funding body seeking to retrieve any funds allocated to the project that were not spent. The Principal confirmed that any such risk was minimal and that evidence would be made available to show how the additional project adds value to the new build; that the asset would benefit the community through its use as a community building; and that the asset has the potential of significant commercial income for the College that would offset the build price. Ultimately if the funding body did seek to retrieve any surpluses the College would have sufficient resources to meet such a demand.

91. An update was provided on the plans for the official opening of the new build. The Corporation welcomed the proposal of an official opening event and an unofficial opening event for both staff and students (both current and new).

92. It was **RESOLVED** to note the report.

GOVERNANCE REPORT

93. The College report '*Governance*' was received and presented by the Clerk (copy attached to the signed minutes).

94. Following review of the report it was **RESOLVED**:

- (i) That the Corporation agrees to appoint Mike Bonsier to serve as Chairman and Colleen Guy and Lynne Clayton to serve as Vice Chairman for the period 1 August 2011 – 31 July 2012
- (ii) To note dates of meetings for 2011/12;
- (iii) That following the annual review of confidential minutes for the minutes relating to the remuneration of named individuals to remain confidential; and
- (iv) To note the report.

REPORT FROM THE PLANNING & PERFORMANCE COMMITTEE

95. The draft minutes/report from the Committee meeting held 7 June 2011 were presented by the Chairman (copy attached to the signed minutes)

96. The Committee reviewed the following:

- Quality Improvement Plan
- Termly Monitoring Reports on:
 - (i) In Year Student retention
 - (ii) Student attendance 2nd term
 - (iii) Lesson observation profiles 2nd term
- Monitoring of College performance and the assessment of risk in the area of Student Experience, Teaching & Learning.

97. Due to the 'red' assessments relating learner success rates at Level 1 (16-18 Long) and at Vocational Level 3, plus the five 'amber' assessments around learner recruitment, learner success rates, and the learner voice, the Committee agreed to report to the Corporation an amber assessment on student experience, teaching & learning. The Chair of the Committee assured the Corporation that the proposed actions being driven by the College Executive to seek further improvements appear to be fit for purpose, robust, appropriate and timely. Progress would be subject to on-going monitoring through the fixed agenda item on College performance. A key indicator would be the year-end results. Another indicator that shows an improvement on the previous year is overall retention which is currently at 91%, 1% above the national average and 2% above the College outturn for 2009/10.

98. It was **RESOLVED** to note the unconfirmed minutes/draft report from the Planning & Development Committee held 6 June 2011.

REPORT FROM THE FINANCE & GENERAL PURPOSES COMMITTEE

99. The Chair of the Committee presented the draft minutes/report from the Committee meeting held 21 June 2011 (copy attached to the signed minutes).

100. The Committee reviewed the following:

- Finance & Management Accounts up to 30 April 2011
- College Revenue & Capital Budget 2010/11
- 3-Year Financial Forecast 2011-2014
- Annual review of Financial Regulations
- Estates & Accommodation
- Monitoring of College performance in the area of finance & estates.
- Confidential item

101. The Corporation received the following documents (copies attached to the signed minutes):

- College Revenue & Capital Budget 2011/12
- 3-Year Financial Forecasts 2011 - 2014

102. The Corporation noted that the Management Accounts record an out-turn projection based on current student numbers, forecast income and expenditure, of a year-end operating surplus of £80,682 against a budget surplus of £28,191 (positive variance £52,491). The forecast surplus stands at 1% against total income which is in-line with the set target.

103. It was reported at the F&GP meeting that the May management accounts that were being worked on at the time of the meeting were indicating an improved operating surplus of circa £240k to £250k, a significant improvement on the April management accounts. Key variances include reduced staffing costs of £80k, lower than anticipated recruitment costs, reduced maintenance costs, and no need to use the contingency fund. It was confirmed to the Corporation that the projected year-end outturn now stands at £254,160.

104. The College's budget setting procedures ensure that the budget is built in a consistent and systematic manner taking account of the following:

- The strategic objectives set by the Corporation
- The targets contained within the Financial objectives set by the Corporation
- Student numbers agreed with the funding bodies
- The College's property strategy

105. The budget for 2010/11 is set on an income of £8,620,484 with total expenditure forecast at £8,481,967, resulting in a forecast surplus on operations of £138,517. Income is based on the confirmed allocation of 1,270 16-18 year olds and 34 19+ learners. Staff costs are forecast at £4,881,408, 56.6% of total income which is below the financial target of 70% set by the Corporation. A pay award of 0.5% has been factored into the budget. £841,595 is forecast for interest payable on borrowing. A capital budget of £205k has been identified - £50k land & buildings; £120k for IT; and £35k for equipment.

106. The following factors have been taken into consideration when setting the budget:

- To ensure that the College maintains sound financial health throughout the life of the capital project and to regain 'Outstanding' status as soon as possible after the completion of the capital project
- To ensure that all financial risks are managed while the College implements the accommodation strategy
- To set a budget framework that ensures a break-even position can be achieved following the completion of the capital project
- To maintain staff costs below 70% of total income
- To continue to improve retention and achievement of students
- Maintain annual capital expenditure at a value equivalent to depreciation charges (net of deferred income)

107. The College Budget 2010/11 confirms the forecast achievement of all the financial objectives set by the Board with the exception of the following:

- Dependency on SFA/YPLA income will be 96.7% against the objective of being below 95%.
- Current ratio of 1.2 against the target of 1.5:1

108. The 3-year financial forecasts record a grade of 'Good' for financial health for the years ending 2011 and 2012, with a grade of 'Outstanding' for the years ending 2013 and 2014. The forecasts are based on the assumption of student growth of around 30 – 35 students per year but at lower levels of funding per student.

109. The Principal drew to the attention of governors the confirmation in the Balance Sheet of the College having assets of £38m arising from the new building but with creditors due after more than year of £2.4M. This modest loan requirement ensured the delivery of a £38m new build. The prudent approach adopted by the Board when agreeing the capital project has ensured that the College is not leaving a financial liability for future generations.

110. As discussed on the agenda capital project, approval is being sought for delegated authority to be given to F&GP to approve the capital project modular building under the conditions outlined in the capital project report.

111. It was **RESOLVED**

- (i) To approve the College Revenue & Capital Budget 2011/12; and the 3-Year Financial Forecasts 2011-2014;
- (ii) To approve delegated authority to be given to F&GP to approve the capital project modular building with any use of delegated authority to be reported to the Board;
- (iii) To put on record the Board's sincere appreciation for the work of the Director of Finance and the finance and estates teams in delivering the capital project reports and reconciliation on time and careful monitoring to enable the project to be within budget; and
- (iv) To note the unconfirmed minutes of the meeting of the Finance & General Purposes Committee held 21 June 2011.

REPORT FROM THE AUDIT COMMITTEE

112. The draft minutes/report of the meeting held on 14 June 2011 was received (copy attached to the signed minutes). The Chair of the Committee provided the Corporation with a summary on the following topics covered at the meeting:

- Internal Audit Strategy and Audit Plan 2011/12
- Financial Statement & Regularity Audit Plan for the period 2010/11
- Risk Management
- Annual re-appointment of Audit Services
- Monitoring of College performance in the area of audit

113. The Corporation received through the minutes the proposed internal audit strategy and audit plan for 2011/12 and the proposed audit plan for the financial statements and regularity audit for the financial year-end 31 July 2011.

114. The Corporation received confirmation through the minutes of the annual review of performance from the internal audit service and financial statement auditor.

115. It was **RESOLVED**

- (i) That the Corporation approves the Internal Audit Strategy and Annual Plan 2011/12;
- (ii) That the Corporation approves the Financial Statement & Regularity Audit Plan for the financial year-end 31 July 2011;
- (iii) That the Corporation approves the annual appointment of RSM Tenon as the College's Internal Audit Service for 2011/12;
- (iv) That the Corporation approves the annual appointment of Baker Tilly as the College's Financial Statement Auditor for 2011/12; and
- (v) That the Corporation notes the draft report/minutes from the Audit Committee held 14 June 2011.

REPORT FROM THE EMPLOYMENT & REMUNERATION COMMITTEE

116. The Chair of the Committee presented the draft minutes/report from the meeting held 24 May 2011 (copy attached to the signed minutes).

117. The Committee reviewed the following at its meeting:

- Termly monitoring reports on:
 - Format of the Annual HR Report;
 - Confirmation of the service review of clerking services;
 - Annual Review of the framework for remuneration and conditions of College staff;
 - Staff Recruitment & Manpower planning for next year
- Monitoring of College performance in the area of staff & human resources.

118. It was **RESOLVED**

- (i) To continue with the existing arrangements of agreeing to implement any nationally agreed pay award between the employers and unions (with the exception of senior post holders), subject to the College being able to pay any agreed pay award;
- (ii) To agree to award the Principal the same pay award to that awarded to staff for 2011/12 should any pay award be confirmed; and
- (iii) To note the minutes of the meeting of the Employment & Remuneration Committee held 24 May 2011.

MONITORING OF COLLEGE PERFORMANCE – OVERALL SUMMARY ASSESSMENT OF COLLEGE PERFORMANCE & ASSESSMENT OF RISK

119. The College report '*Monitoring of College Performance – Overall Summary Assessment of College Performance & Assessment of Risk*' was received (copy attached to the signed minutes). The monitoring framework approved by the Corporation requires the overall assessments undertaken by each Committee during the term to be made available to the Corporation.

120. It was **RESOLVED** to note the following overall summary of College performance and assessment of risk:

1	The Student Experience, Teaching & Learning (Agreed by the P&P Committee)	Some concern/risk
2	Financial & Estates (Agreed by the F&GP Committee)	No concern/risk
3	Audit (Agreed by the Audit Committee)	No concern/risk
4	Staff & Human Resources (Agreed by the E&R Committee)	No concern/risk
5	Governance, Leadership & Management (Agreed by the Corporation)	No concern/risk

121. The details behind the reasons for the amber assessment made by the Planning & Performance Committee for the area of student experience, teaching & learning have already been brought to the attention of the Corporation (see minute 92).

DATE OF NEXT MEETING

122. Tuesday 18 October 2011 @ 1500 (Strategy Session)
Tuesday 6 December 2011 @ 1830

ANY OTHER BUSINESS

123. Mr I Payne reported that as Chairman of the Coulsdon and Purley Debating Society, he had invited the College Debating Society to a debate which took place last night. The College speakers Brian Samoto and Vivek Noruthan spoke for the motion "Peaceful protests achieve nothing". The students were very well received and every speaker from the floor said how well they had spoken. They were made very welcome by members during the interval. Many members afterwards said how much they had enjoyed the innovation, how well the students had presented themselves and that they would like to have further debates with the College, The Board welcomed this feedback and asked the Principal to pass on the Board's thanks to Brian and Vivek.

The meeting closed at 19.30.

Signed: _____ Date: _____
(Chairman)

CURRENT CORPORATION SUMMARY ACTION LIST

MIN REF	DETAILS OF RESOLUTION/ACTION POINT	WHO	REVIEW DATE
110 (ii)	Delegated authority to be given to F&GP to approve the capital project modular building with any use of delegated authority to be reported to the Board	Clerk/ Principal	Next meeting
E&R May 2011	To make available to governors training on equalities analysis.	Principal	6/12/2011