



Corporation

Draft minutes of the meeting of the Corporation held on Thursday 25 March 2010 at 7.30 pm in A212.

Members:				<i>Apologies</i>
Bruce Gordon-Picking - Chairman	✓	Paul Rochford		
Bob Boustead	X	Stan Rose		✓
Barbara Bows	✓	Kabul Sandu		✓
Gerry Byrne	✓	Geoff Starns		✓
John Dryborough	✓	Colin Vaughan		✓
Ruth Eisenberg	✓			
Elizabeth Frappell	X			
Jordan Hume	X			
Kim Guest	<i>Apologies</i>	In Attendance:		
Colin Harper	✓	Maria Thompson		✓
Simon Harper	✓	Pat Brennan-Barrett		✓
Keith Haywood	✓	David Holmes		✓
Eric Hindson	✓			
Noel Otley – Principal	✓	Wendy Philpot (Clerk)		✓
Liz Pearson	✓			

Item 1 - Apologies for Absence/Declaration of Interest

Apologies were received from Kim Guest and Paul Rochford.
Colin Vaughan declared an interest in Item 15.3 - CEME Board Minutes.

Item 2 - Minutes of the previous meeting

The minutes were agreed and signed as a correct record of the meeting held on 25 March 2010.

Item 3 - Matters arising from the minutes of the previous meeting

1. Page 1, Item 3 – The Clerk advised it had been agreed at the meeting of the Governance Committee on 9 March not to hold a Governors' training event and to include training sessions at Corporation meetings when the agenda is relatively small.

The Chairman advised the Clerk will be contacting new governors to set up individual training sessions. The LSIS programme of events was handed out and Governors were encouraged to attend any external events they think would be of benefit to them.

2. Page 2, Item 3 - The Clerk confirmed the link to the Equality and Diversity e-modules had been sent to Governors.
3. The Chairman referred to the student ambassador. Maria Thompson advised she had contacted Zainab Oseni but has not yet received a response from her.
4. Page 4 – Maria Thompson gave details of the numbers of staff needing Health and Safety training and advised sessions are being organised.

Item 5 – Membership

The Chairman confirmed Governors whose membership expires in 2010 have been contacted. John Dryborough confirmed he would wish to continue in his role as Governor. Bob Boustead has decided to step down and, as his term of office had now expired, he was not attending this meeting. The Corporation conveyed thanks to Bob for his services.

Mike Hicks has resigned as a co-opted member of two Committees.

There is a requirement for a new Chair of the Community and Business Liaison Committee. There will be a meeting of the Search Committee in the next couple of months to consider the membership profile of the Governing Body.

Item 6 – Health and Safety – Policies for approval

The Chairman referred to the 12 Health and Safety Policies all of which have been available for Governors to view on the college intranet.

Colin Vaughan referred to the Smoking at Work Policy and questioned whether there was a need for such a large document as this is legislation. Maria Thompson agreed to feed this back.

Stan Rose requested a flow chart be drawn up to show how the policies interlink. Maria Thompson agreed to look into this.

ACTION: Maria Thompson

GOVERNORS' ACTION:

The Corporation approved the 12 Health and Safety policies.

Item 7 – Finance Items for Approval

7.1 Financial Regulations, Expenses Policy, Relocation Policy and Value for Money Policy

David Holmes advised all documents have recently been reviewed and updated and were presented to EP&F on 9 March.

Schedule 3 highlights the main changes compared with the previous version. None of the changes made are substantive.

Ruth Eisenberg referred to Appendix b of the Financial Regulations and asked whether it was necessary for the Principal and the Director of Finance to sign every cheque. David advised a very small number of cheques are used and these are produced from a computer run with the Director of Finance signature pre printed. David confirmed all cheques require a second signature from group B. David confirmed the Financial Controller and the Director of Finance check and sign the payment run prior to the cheques being produced.

Eric Hindson referred to the Relocation Policy and asked how often this was used. David advised this had not been used for a number of years. It was agreed to re-word 1.1 to reflect the policy was only used in exceptional circumstances.

ACTION: David Holmes

GOVERNORS' ACTION:

Subject to the minor amendment referred to above the Corporation approved the Financial Regulations and Policies.

7.2 Proposed Value for Money (VFM) Strategy 2009-10

David Holmes advised the proposed VFM Strategy was presented to the EP&F Committee on 9 March 2010. Work on many of the activities is already underway and some will continue into 2010-11. As with the 2008-09 Strategy, a report on performance will be presented to the Audit Committee.

Stan Rose referred to joint procurement and shared service initiatives with LBH and Havering Sixth Form College. David advised discussions have taken place with the Sixth Form College about a number of services including payroll, HR and IT services.

Discussions have also taken place with LBH about procurement and, although the borough was keen for the discussions to take place and the College has actively engaged with the initiative, there has been no further action from the borough to move this forward. David stated the college is looking to save money in all areas. The Principal advised purchasing consortiums are used for some items such as energy.

Geoff Starns declared an interest in this item and asked who David had spoken to in the borough. David advised he had met with a consultant and the Procurement Officer to discuss the possibility of shared procurement services and agreed to advise Geoff of the names.

ACTION: David Holmes

David advised data had been sought on a range of goods purchased by the college with a view to benchmarking across the borough.

Stan asked whether the Academy had been approached. David advised this had not been the case as the Principal and Finance Director of the Academy had only just been appointed.

The Chairman referred to the number of locations the college operates from and stated there was need to ascertain whether this was economically viable.

The Principal stated the college no longer operates from the Romford IT Centre; this amounts to a saving of £53k. The Ilford Centre makes a positive contribution. The Rainham Skills Centre= has now been closed, giving a saving of £37k. The Brentwood Centre will be used for 'back of house' activity which will be transferred from Ardleigh Green to free up space for additional teaching rooms.

Portfolio meetings are taking place next week to identify where additional teaching staff savings can be made across the curriculum.

The Chairman referred to the summer works programme and the additional work required to accommodate students moving from CEME. As the timescale is short, and to ensure works are completed by September, discussions have taken place around varying the usual tendering requirements. The Chairman stated that, if the intention is to vary the usual tendering requirements, the Corporation must be satisfied the route followed is transparent and adheres to the college's Financial Regulations.

David Holmes stated the Regulations enable competitive tendering to be avoided in exceptional circumstances provided value for money can be demonstrated and the arrangements are approved by the Corporation. Fred White has considered a number of options and will be presenting these to Accommodation Committee in April. Subsequently, the Corporation will be asked to give approval electronically in an effort to meet deadlines. Alternatively, this could be presented to Corporation in May but this would not leave enough time to complete the work by September.

The Chairman stated the electronic approval would be the preferable option.

John Dryborough advised he has recently met with Fred White and advised there are a number of issues, one of which was the size of project. John questioned whether the college

had the resource to project manage all projects involved in the summer works programme. The CEME issue was finalised very quickly and the work needs to start immediately in order for the facilities to be ready by September. John and Fred have put together a background statement to support this. John suggested he liaises with Fred and the statement be emailed to Governors prior to Accommodation Committee.

Stan Rose asked if, since this was an internal issue, it would require an internal risk assessment. David confirmed this was the case but there was a need to adhere to LSC/SFA requirements if individual projects exceed £1.5 million. John Dryborough advised discussions had taken place regarding the possibility of involving a number of contractors and an independent Quantity Surveyor to manage the overall running of the projects.

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It was agreed John should continue discussions with Fred and produce a paper for Governors. Eric felt that, if the project works, the college would not be criticised but there were a number of potential risks and therefore it would be beneficial for a Governor to liaise with the QS. John Dryborough advised during discussions it had been suggested Fred reports back to the Accommodation Committee on a regular basis.

The Principal advised any governor can attend the Accommodation Committee if they wish to hear how the projects are progressing.

David advised all building projects undertaken by the college in recent years have had effective planning and monitoring procedures.

Colin Vaughan referred to the funding for these projects. David advised costs have not yet been confirmed and it may be that the college will need to add to borrowing to fund the projects. This will form part of the overall budget and cash flow for 2010/11.

David referred to the financial implications involved in the other property projects, purchasing of the Carpet Right site and the college's contribution to the access road demolition of Amberley House, and advised that these are also an important part of the cash flow forecast and overall funding arrangements.

GOVERNORS' ACTION:

The Corporation agreed to the electronic approval of the summer works programme. The Corporation approved the Value for Money Strategy for 2009-10.

7.3 Fraud Policy

David Holmes advised the Fraud Policy was presented to Audit Committee on 18 March and changes included more emphasis on zero tolerance of fraud and a clearer explanation of the procedure when fraud is suspected.

It was suggested reference to 'normal' fraud be reworded. The Chairman felt there was a need to refer to whistle blowing in more detail.

The Principal advised the Financial Memorandum covers significant fraudulent activity involving senior managers.

GOVERNORS' ACTION:

Subject to minor changes the Corporation approved the Fraud Policy.

7.4 Audit Services Re-Tender

David Holmes referred to Schedule 7 and advised a report on options for re-tendering for audit services was presented to Audit Committee on 18 March 2010. Services were last tendered in June 2007. A report on the performance of the external and internal auditors for 2008-09 was

also presented. Both firms were considered to have performed strongly although the absence of the Baker Tilly partner at the key Audit Committee meetings was noted.

There is an audit services framework, CPC, but enquiries indicate that this is most useful for smaller colleges who may struggle to get sufficient firms to tender.

David advised the preferred approach is to undertake our own tender process, as was the case last time, but to split the tender process. For external audit, Baker Tilly will be allowed to complete the external audit for 2009-10, provided that the fees are similar to those for 2008-09, and work will start later this year with a view to re-tendering in January/February 2011. The newly appointed firm will then undertake the 2010/11 external audit.

For internal audit, it is proposed that Scrutton Bland complete the 2010/11 audit programme at similar rates to the current year and that the re-tendering process be undertaken in Spring 2011. The newly appointed firm will then undertake the 2011/12 internal audit programme.

David confirmed the existing auditors would be invited to re-tender.

GOVERNORS' ACTION

The Corporation approved the proposal for the audit services re-tender.

Item 8 – HR Policies for Approval

8.1 Agency Workers Policy

The Principal referred to Schedule 7 and advised the policy has been presented to EP&F Committee. It covers the use of agency workers in the college and has been written by the Director of HR and the Financial Controller.

The policy addresses the need for tighter controls around CRB and safeguarding; to avoid unnecessary costs the college is moving to a centralised process for employing agency staff.

Colin Harper referred to 4.2.9 and asked if this wording had the potential to cause friction with permanent members of staff. The Principal stated this was a possibility but felt it was unlikely but it was important that agency workers were clear on what their entitlements were.

A discussion took place on the cost of employing agency workers.

GOVERNORS' ACTION:

Corporation approved the Agency Workers Policy

8.2 Leave Policy

The Principal advised the Leave Policy has been reviewed following changes in legislation and has been presented to EP&F Committee. The Chairman stated that maternity leave and sickness absence is not covered under this policy. Eric Hindson questioned whether all leave policies should be consolidated. The Principal agreed this could be looked into for the future.

GOVERNORS' ACTION:

The Corporation approved the Leave Policy

8.3 Pay Progression Policy

The Principal advised for the last 5 years the Corporation has approved the annual pay award for staff as recommended by the AoC. In addition, the Corporation has the Pay Progression Policy which enables staff to move up the pay scale providing they met the right criteria. Corporation has approved this policy annually and the Principal stated this is not a contractual

term. In the light of the current financial challenges the college is looking at reducing costs across all areas.

The Principal proposed the suspension of the Pay Progression Policy for next year and to review it for the following year. Suspending the policy for one year would save the college £150k.

Ruth Eisenberg asked what the risk to staff morale was if the policy were to be suspended.

The Principal felt this was a mechanism for reducing redundancies but there was no doubt it will have some impact on morale. The message to staff would be the money saving factor and the fact that this will reduce the risk of redundancies. The Principal confirmed the Unions are not in favour of the proposal.

Kabul Sandu felt that, although this was necessary, it may have an impact on younger staff who were looking to increase their salary. The Principal felt this would be the case and the policy had worked well in the past to ensure staff are qualified for the job they are doing and this has benefited the college.

The Principal advised the policy would need to be rewritten to take into account business needs for the following year and a recommendation will be brought to Corporation next year for decision. Eric asked whether there remained other opportunities for staff to get a pay rise. The Principal advised only by the annual pay award or staff promotion.

The Principal advised Governors that the Corporation has paid the nationally recommended pay increase every year but there are other London colleges who have not done this.

GOVERNORS' ACTION:

The Corporation approved the suspension of the Pay Progression Policy for one year.

Liz Pearson joined the meeting.

Item 9 – Equality and Diversity

9.1 Single Equality Scheme (SES) 2009-2012

Maria Thompson advised the SES has been consulted on and reviewed by the local PCT, black and ethnic minority staff and staff with disabilities. It was presented at EP&F on 9 March and all comments have been implemented.

The action plan attached is a work in progress and is continually being updated.

A lot of the work is already going on in the college particularly in areas such as Student Services.

Maria advised the Corporation is required to reflect the profile of the local community by 2012 and reflect the learner profile by 2016. If the college was not making attempts to meet this requirement, it would be judged 'inadequate' by Ofsted.

The Search Committee will be discussing the way forward and Stan Rose has already begun to look into this. The Chairman felt there were a number of ways to recruit to meet the requirements. Eric Hindson asked if there was anything in the action plan that could put the college at risk. Maria advised strategies are being met to support learners.

GOVERNORS' ACTION:

The Corporation approved the Single Equality Scheme 2009-2012

Item 10 – Finance

10.1 Management Accounts for the period 31.01.10 and Forecast Outturn

David Holmes referred to Schedule 11 and advised the Management accounts for the period 31.01.10 had been presented to EP&F on 9 March. The following points were highlighted:

- An underlying operating surplus of £166k at the end of January, £39k below budget.
- At the end of January the college's financial health rating was 'Good' and the expectation is to remain there until July 2010.
- The first half-year forecast shows an underlying operating surplus of £350k similar to the annual budget. Schedule 3 of the accounts shows income down by a net £1.1m. This is mainly due to slippage on co-funded ESF, Response to Redundancy and Train to Gain programmes.
- ESF co-funded income and the related costs will shift to the first 5 months of 2010-11.
- The additional WBL 16-18 funding, additional TtG funding and LAA reward grant have been included in the forecast but these have not yet been confirmed in writing.
- The half-year forecast also reflects the impact of re-basing (reducing) ALR in-year as discussed at the Governors' residential.
- There are two further funding issues which will affect the period nine forecast; the first is around the main LSC TtG contract of £1.6m. David gave an explanation as to how the contract is split over 8 and 4 month periods, with 47% of funding being provided in the final 4 months.
- The LSC has required colleges to consider the volume of delivery for the last 4 months and to take a view on whether this is achievable; if this is not possible, there is the option of 'smoothing' funding to 2010-11. David advised it was about balancing risks and the best option would be to 'smooth' £200k into the first 8 months of 2010/11 rather than risk losing this by under-delivering in the current year.
- The second issue is around HE; HEFCE has recently advised that it intends to take back £192k in the current year due to the learner new start control figure being exceeded. It is thought this is due to a technical breach and the college has appealed against it.
- Therefore, there is a high risk that the forecast underlying operating position will be worse than budget.

GOVERNORS' ACTION

Governors noted the position for period 6 and the forecast outturn.

10.2 LSC letter - Financial Statements 2008-09

GOVERNORS' ACTION:

Governors noted the letter confirming a financial rating of 'Good' for information.

Item 11 – Chairman's Report

The Chairman gave a verbal update and highlighted the following:

The residential event in March was well attended and clarified the challenges facing the college over the next few years.

The Chairman attended the HE awards ceremony in the Space at Ardleigh Green, with guest speaker, Wilfred Emmanuel Jones, known as 'The Black Farmer'. This was an overflow of the event which took place at the Queens Theatre in November.

Governors were reminded of the Cross Over Project production, Strawberry Fields Forever, taking place at the Palladium on Sunday, 25 March.

An Engineering open event is taking place on Saturday, 24 March in E Block at the Ardleigh Green Campus.

Item 12 – Principal's Report

The Principal referred to Schedule 13 and highlighted the following:

Following the decision to move out of CEME, both colleges are now clear on where the courses will be moved to. The summer works programme is being planned to ensure students have good quality space and facilities.

The GSCC inspection of the HE social work programme identified a key weakness of the lack of formal strategic partnerships with employers. Meetings have now taken place with LBH and Essex County Council and both councils are keen to work with the college and be involved in the Social Work degrees.

The IQER Summative Review ended today after a two day visit. If the review were not successful, direct funding would be withdrawn by HEFCE. A successful outcome would mean the college could apply for Foundation Degree awarding powers. The Principal asked Pat Brennan-Barrett to update Governors on the events of the last two days.

Pat advised this was not the official outcome but the verbal feedback from the panel had been positive and they would not require a second visit. This would seem to indicate they were happy with the evidence found. It is hoped the outcome will result in a vote of 'confidence'. A full report is expected within a month. Pat commended the staff involved and advised John Morris had been outstanding in organising and facilitating the inspection.

The Principal commended Pat for her hard work in leading the staff.

The Romford Recorder recently reported on the employment tribunal that the college lost. The Principal stated there were lessons to be learnt from the outcome and the Director of HR will be presenting a report to the next EP&F Committee.

Geoff Johnston, Publicity Manager, will be retiring after 33 years at the college. Geoff has been a hard-working loyal member of staff.

Stan Rose referred to the two HE award events and asked whether this will be repeated next year. The Principal advised there will be two sessions at the Queens next year, one in the afternoon and a second in the evening.

Item 13 – HR

13.1 HR/Staff Development Annual Report

GOVERNORS' ACTION:

Governors noted the report for information.

13.2 Workforce Information Report

GOVERNORS' ACTION:

Governors noted the report for information

Item 14 – Student Data

14.1 Enrolment Update

The Chairman referred to Schedule 16 and advised the student data was produced by Ansar Mahmood and had been presented to the Curriculum Committee. The Chairman felt the charts were difficult to understand and the scale of the graphs exaggerated the degree of changes compared with previous year data. It was agreed these will be improved and will include more narrative explanation in future.

David Holmes referred to the risk around TtG and advised Skills for Life and Care programmes starting in April will go towards achieving the ALR funding target. David gave a brief explanation on overachievement on 16-18 learner responsive.

GOVERNORS’ ACTION:

Governors noted the report for information.

Item 15 – Summary of Minutes

- 15.1 Accommodation Committee – 09.02.10
- 15.2 Community and Business Liaison Committee – 24.02.10
- 15.3 CEME Board Meeting – 29.01.10

GOVERNORS’ ACTION:

Governors noted the minutes for information.

Item 16 – Any Other Business

Stan Rose referred to the membership of Search Committee and the fact that it had not been quorate at the last meeting. A discussion took place around any member of the governing body being eligible for membership and the possibility of introducing an advisor to the Committee. The Chairman suggested this be addressed at the next Governance Committee and recommendations be presented to Corporation for approval.

CONFIDENTIAL BUSINESS

Any Other Confidential Business

There were no items of confidential business.

The meeting ended at 9.30 p.m.

Maria Thompson then gave a brief presentation on certain aspects of Safeguarding.

Signed: Date:
Bruce Gordon-Picking (Chairman)

Meeting Date	Page	Action to be addressed	By whom	By when	Status
25.03.10	2	Flow chart to be produced to show how H & S policies interlink. Feedback to Fred White	Maria Thompson	27.05.10	
25.03.10	2	Rewording of Relocation Policy to reflect the policy is only used in exceptional circumstances	David Holmes	ASAP	Completed
25.03.10	3	Names of Procurement Officer at LBH to Geoff Starns	David Holmes	ASAP	Completed – Details e-mailed to Geoff Starns on 26.03.10