

**HARLOW COLLEGE FURTHER EDUCATION CORPORATION
CORPORATION MEETING**

Minutes of the meeting held on Thursday 02 July 2015

Membership:	* P Taylor (Chair)	* C Christofides	D Palmer
	* S Adamopoulos	* M Coleman	* M Prodger
	N Allen	A Durcan	* B Spencer
	S Banks	* N Garala	* K Spencer
	* P Bartlett	* E Johnson	* M Thorne
	* J Breen	* R Locke	* P Whitehead

* denotes present

In attendance: M Stokes, Deputy Principal
P Marsh, Deputy Principal
L Turner, Vice-Principal
A Phillips, Executive Director of Finance
L Jones, Shadow Student Governor
J Adams, Shadow Student Governor
D Sheridan, Clerk to the Corporation
R Lucas, Deputy Clerk to the Corporation

1855 Apologies for absence and a welcome

A minute's silence was held in remembrance of a former colleague, Julie Hangar, who recently lost her battle with brain cancer.

Apologies for absence were received and accepted from N Allen, S Banks, A Durcan and D Palmer.

P Taylor and the Corporation thanked P Marsh for all of his hard work at the College over the years and wished him a long, happy and healthy retirement.

1856 Declarations of Interest

P Whitehead declared an interest in Agenda Item 1864 – Fee Policy 2015-16 – as he was involved in writing the Policy.

1857 Minutes of the Previous Meeting

The Corporation approved the minutes and the confidential minute of the meeting held on 14 May 2015 as a true and accurate record, subject to one typographical error on page 7, and they were signed by the Chair.

1858 Matters Arising from the Minutes

There were no matters arising.

1859 Membership of Harlow College Further Education Corporation

The Corporation agreed the recommendation of the Search and Governance Committee to reappoint Brian Spencer as a governor to the Corporation for a period of four years.

1860 Governor Training and Development

R Lucas provided an update on the academy walk-throughs. Most Governors have undertaken an academy walk-through and some follow-up visits have taken place. It was reported that staff and Governors believed that the scheme had worked well this academic year and it is likely that it will be built upon next academic year.

As this was N Garala's last meeting, P Taylor and the Corporation thanked Nishall for his commitment and dedication to Harlow College and wished him well for the future.

P Bartlett has undertaken an academy walk-through with engineering and motor vehicle and reported back on his visit, attended the AMC Working Party meeting, the AMC contractor selection interviews and the Audit Committee meeting.

P Whitehead attended the Audit Committee meeting.

R Locke has undertaken a follow-up visit with Hospitality and Travel and reported back on his visit.

M Prodger has undertaken a follow-up visit with Vocational Business and IT and reported back on her visit, attended the Safeguarding meeting and the joint Resources and Standards Committee meeting.

S Adamopoulos has undertaken a follow-up visit with Foundation Studies and reported back on his visit, and attended the joint Resources and Standards Committee meeting.

C Christofides attended the joint Resources and Standards Committee meeting.

B Spencer attended the AMC Working Group meeting and the joint Resources and Standards Committee meeting.

M Coleman attended the joint Resources and Standards Committee meeting.

M Thorne reported on ARU's Learning, Teaching and Assessment conference which several Harlow College staff members attended, and reported that he continues as Chair of the UTC's Governing Body.

E Johnson attended and chaired the joint Resources and Standards Committee meeting.

N Garala attended the dance show, Harlow Creates, student and parents' event, the joint Resources and Standards Committee meeting and has undertaken a follow up visit with Sport and reported back on his visit.

L Jones attended the Safeguarding meeting.

P Taylor attended the joint Resources and Standards Committee meeting, the AMC Working Party meeting and the AMC contractor selection interviews.

1861 Principal's Report

The Corporation received and considered the Principal's powerpoint update, presented by K Spencer, Principal.

The main areas covered in the presentation were:

- Organisational Changes:
 - Changes to the Principalship group – following P Marsh’s retirement, L Turner will take on responsibility for curriculum and students and M Stokes will take on responsibility for human resources.
 - Main organisational changes to facilities management, student services and business development.
 - Curriculum changes to programmes of study, A-level and vocational qualifications and the Government’s pledge to deliver 3 million apprenticeships by 2020. More detailed training sessions for Governors on these changes will be delivered next academic year.
- E-learning:
 - A demonstration of GEM (generic English and maths) was given and the process for monitoring its usage by students was explained.
 - An update on the Learning Futures project was given and a video was played to Governors at the end of the meeting.
- Ofsted Case Study:
 - The College hosted a visit from the lead English and maths HMI. Positive feedback was given following the visit however there is some work that needs to be done. These areas, along with the College’s areas of strengths, were highlighted.
- China – Link Programme:
 - The College hosted a visit from a Chinese delegation focusing on the delivery of vocational qualifications.
 - K Spencer thanked ARU for hosting a session for the Chinese delegation.
- Quality:
 - A new OFSTED inspection framework and handbook has been published, with a stronger focus on PREVENT and personal development. There is also a greater emphasis on destinations and English and maths.
- External Environment:
 - This covered funding and how the Government spends its money and included strategic area reviews, talking to neighbours, shared services, specialisation, large vs small colleges and Alison Wolfe’s new report.

Governors were given the opportunity to ask questions and a detailed discussion arose from the issue raised under external environment.

Governors agreed that these issues should be focused on at a strategic planning event early in the Autumn term.

The Corporation noted the Principal’s update.

1862 Management Accounts for the period 1 August 2014 – 31 May 2015

The Corporation received and considered the management accounts for the period 1 August 2014 – 31 May 2015, presented by M Stokes, Deputy Principal and A Phillips, Executive Director of Finance.

Governors noted that the new format of the presented management accounts had been agreed by the Resources Committee.

A detailed discussion was held around the management accounts and Governors noted the following:

- The College's cash forecast is good and that the current actual cash position is better than originally forecast.
- The income and expenditure in-month movement and year-to-date movement.
- The income and expenditure summary broken down into key income and expenditure areas.
- Adjustments have been made to income levels and the cost of staff restructuring has been added.
- The end of year surplus is forecast to be £359k.
- The pay cost forecast has been adjusted for known staff movements and an additional cost of £260k has been added to account for changes to College staffing.
- Non-pay expenditure continues to be monitored closely.
- Capital funding has been allocated for renovation of the reception, the IT Learning Resource Centre and the first floor of Building K. All of this work is scheduled to take place before September 2015.
- The balance sheet, current assets and current liabilities were noted.
- The College's financial health rating is currently satisfactory, however the end-of-year position is forecast to be good.
- Both bank covenant tests have been passed.
- The percentage of creditors paid within 30 days of invoice registration date has increased.

The Corporation noted and approved the management accounts for the period 1 August – 31 May 2015.

1863 Two Year Financial Forecast 2015-17 and the 2015-16 Budget

The Corporation received and considered the two-year financial forecast 2015-17 and the 2015-16 budget, presented by M Stokes, Deputy Principal and A Phillips, Executive Director for Finance.

Governors were informed that the standard SFA planning document has been completed and that the assumptions made, as detailed in Section B, are the same assumptions as previous years.

A general discussion was held around the two-year financial forecast and 2015-2016 budget and Governors noted the following:

- The College's financial health is aiming to be good.
- The College will no longer receive the transitional or formula protection funding.
- The impact of funding changes was highlighted.
- There has been an increase in the funding per learner as the College has a higher target for full time learners.
- The EFA income for 2015/16 is £11,860k.
- The 16 – 18 apprenticeship budget for 2015/16 is £1,449k, which includes a small growth of £100k.
- The funding methodology and claw-back process was explained in detail.
- A further £900k reduction in the adult skills budget has been anticipated.
- Additional learning support funding is now included in the College's main funding allocation.

- Due to a reduction in income, a reduction in costs has been required. £1m of staff savings has been realised with through natural wastage and the removal of posts.
- There is a planned reduction in non-pay expenditure, however investment in IT has been included in the budget.
- A non-consolidated pay award of 0.5%, as requested by the Resources Committee, has been agreed provided that the banking covenants and surplus figures are met and this will be taken from the contingency.

The Corporation approved the two-year financial forecast 2015-17 and the budget for 2015-16.

1864 Fee Policy 2015-16

The Corporation received and considered the Fee Policy 2015-16, presented by M Stokes, Deputy Principal.

Governors noted that there have been no major changes to the policy and that the exemptions remain the same. The instalments have been adjusted in line with audit feedback and fees for HNCs and HNDs have been included.

The Corporation approved the Fee Policy for 2015-16.

1865 Advanced Manufacturing and Engineering Centre

1865.1 To receive an update on the AMEC project and to note the appointment of the contractor and the process undertaken

The Corporation received an update from P Taylor on the AMEC project.

Governors noted that the funding agreement with the LEP for £2.5m has been signed by both parties and the Essex County Council funding agreement for £2m is ready to be signed. The LEP funding will be used in the first instance to reimburse costs which the College has incurred on the project to date.

The tender process, which has been undertaken to appoint a contractor, was explained in detail and the following recommendation from the project managers was proposed:

“The results of both the tender submission review and the interview presentation identify Wilmott Dixon Ltd to be the most favourable.

As such we would recommend that Wilmott Dixon Ltd are appointed under the Pre-Construction Agreement to progress the scheme to the second stage of the tender process, and manage the enabling works.

The Pre-Construction Agreement should be placed to the sum of £574,104.”

The Corporation approved the appointment of Wilmott Dixon Ltd as the contractor for the pre-construction phase, with a contract value of £574,104 + VAT, **SUBJECT TO** receiving the signed funding agreement from Essex County Council.

1865.2 To approve the contract value, the budget for the project and the associated borrowings

The Corporation received and consider the Facility Letter from Clydesdale Bank to be signed by P Taylor on behalf of the Corporation.

The Corporation requested that the Facility Letter be reviewed by the College's solicitors.

After due and careful consideration of the terms of the Facility Letter and of all the relevant circumstances, IT WAS RESOLVED that:

1. The utilising by the College of up to the full amount of the Development Facility on the terms and conditions set out in the Facility Letter is for the benefit of, and in the best commercial interests of, the College for the purpose of carrying on its business and that the terms and conditions of such Facility Letter are approved and accepted; and
2. The Facility Letter be executed on behalf of the College by the Governor specified below who is also authorised to sign on behalf of the College all such other documents, agreements, certificates, notices, communications or confirmations, including variations, amendments, renewals and extensions, as may be required in connection with the Development Facility or the Facility Letter.

1866 Financial Regulations

The Corporation received and considered the amended financial regulations, presented by A Philips, Executive Director for Finance.

The proposed amendments to the financial regulations, in light on the new procurement rules, were highlighted to Governors. Governors also noted that a full procurement policy is in the process of being drafted.

The Corporation agreed the amendments to the financial regulations.

1867 Governance Issues

1867.1 Foundation Code of Governance

The Corporation received and considered the report on the Foundation Code of Governance, presented by D Sheridan, Clerk to the Corporation.

Governors were reminded that the Corporation adopted the Foundation Code of Governance in July 2012 and that the College's compliance with the Code is reported annually and forms part of the College's regularity audit. Governors considered the Corporation's response to the Foundation Code of Governance for 2014/15 and noted that no issues had been raised by either internal or external audit.

The Corporation agreed the response to the Foundation Code of Governance.

1867.2 Code of Good Governance for English Colleges

The Corporation received and considered the report on the Code of Good Governance for English Colleges, presented by D Sheridan, Clerk to the Corporation.

Governors noted that following on from the consultation, the Code has been substantially rewritten and that the Code is a useful document. Governors noted that the Corporation's planned business will be mapped against the Code and any gaps will be addressed.

The Corporation agreed to adopt the Code of Good Governance for use in 2015-16 onwards.

1867.3 Letter from Dr David Collins, FE Commissioner

The Corporation received and considered the fifth letter from Dr David Collins, FE Commissioner, presented by D Sheridan, Clerk to the Corporation.

The Corporation noted the letter, in particular the concerns highlighted within the letter concerning joint ventures, mergers, federations and partnership arrangements.

1867.4 Current Models of Collaboration – Post 14 Further Education

The Corporation received, considered and noted the Department for Business, Innovation and Skills' publication on current models of collaboration for post 14 further education, presented by D Sheridan, Clerk to the Corporation.

1868 Reports from Committees

1868.1 Search and Governance Committee – 2 June 2015

The Corporation received and noted the minutes of the Search and Governance Committee held on 2 June 2015.

Governors noted that governor attendance figures will be attached to future Search and Governance Committee minutes.

1868.1.1 Standing Orders

The Corporation received, considered and approved the standing orders and committee terms of reference for use by the Corporation in 2015-16.

1868.2 Audit Committee – 16 June 2015

The Corporation received and noted the minutes of the Audit Committee held on 16 June 2015.

1868.2.1 Internal Audit Strategy

The Corporation received and considered the Internal Audit Strategy, produced by Scrutton Bland, the College's internal auditors.

Governors thanked P Marsh for his work on external audit and noted that A Phillips will be taking over some audit responsibilities. Governors noted that a review of external audit costs has been undertaken and that the College will go out to tender for its external audit services in the Autumn term.

The Corporation approved the Internal Audit Strategy.

1868.2.2 Review of the Risk Register and Risk Policy

The Corporation received, considered and noted the review of the risk register and risk policy.

1868.3 Joint Resources and Standards Committee – 18 June 2015

The Corporation received and noted the minutes of the joint Resources and Standards Committee held on 18 June 2015.

Governors noted that the joint committee meeting was not as successful as hoped, therefore separate meetings will be held next academic year.

1868.4 Resources Committee – 18 June 2015

The Corporation received and noted the minutes of the Resources Committee held on 18 June 2015.

1868.5 Standards Committee – 18 June 2015

The Corporation received and noted the minutes of the Standards Committee held on 18 June 2015.

1869 Any Other Business

The Corporation watched a video which the College has produced with funding from the DfE Shared Learning funding around e-learning and its integration into the curriculum.

1870 Dates of Future Meetings

Autumn Term	Thursday 22 October 2015	08.30am – 4.00pm*
<i>*Full Governing Body meeting followed by self-assessment reviews</i>		
	Thursday 10 December 2015	08.30am
Spring Term	Thursday 17 March 2016	08.30am
Summer Term	Thursday 19 May 2016	08.30am
	Thursday 14 July 2016	08.30am