

## THE FURTHER EDUCATION CORPORATION OF MIDDLESBROUGH COLLEGE

### GOVERNING BODY

Minutes of the Governing Body held on Monday 29 March 2010  
at 6.00 pm in the Board Room.

<b>Present</b>	Mrs H Pearson OBE	Chairman	College Governor
	Mr J Autherson		College Governor
	Mr J Bate		College Governor
	Mrs S Bates		College Governor
	Mr R Brady		College Governor
	Mr A Hanif		College Governor
	Mrs A V Haskins		College Governor
	Mr J Hogg		Principal / Chief Executive
	Mr R Johns		Staff (Academic)
	Mr M McClintock		College Governor
	Dr M Mehta		College Governor
	Mr G Rogers		Staff (Business Support)
	Ms S Shepherd		College Governor
	Mrs C A Wheatley		College Governor
Mr D Whitaker		College Governor	
<b>Officers</b>	Mr R Atkinson	Assistant Principal - Registry, Estates & Governor Services	
	Mrs Z Lewis	Vice Principal - Resources	
	Mrs S Wright	Vice Principal - Curriculum & Quality	

#### 10/016 **ITEM 1 APOLOGIES**

Mr A Hume	Student Governor
Ms R Murphy	Student Governor
Mr B H Whitfield	College Governor

#### 10/017 **ITEM 2 MINUTES – 25 JANUARY 2010**

The minutes of the Governing Body meeting of the 25 January 2010 were **approved** as a true record and duly signed by the Chairman of Governors.

10/018 **ITEM 3 MATTERS ARISING**

Mr Brady raised an issue in relation to agenda item 6.2, Governance Self Assessment. During discussions it was acknowledged that some Governors experienced some difficulties with the questionnaire due to the lack of instructions and some of the wording on the questions.

After some discussion, it was **agreed** that:

- the Assistant Principal - Registry, Estates & Governor Services would assist any Governor in completion of the questionnaires, as it was essential that all questionnaires were returned.
- A review of the Governance Self Assessment Document would take place before it is issued again.

10/019 **ITEM 4 DECLARATION OF INTERESTS BY THE GOVERNING BODY AND THE SENIOR MANAGEMENT TEAM**

None.

10/020 **ITEM 5 GOVERNANCE MATTERS**

**5.1 Corporate Governance Annual Report 2008 / 2009**

The Assistant Principal - Registry, Estates & Governor Services presented the 2008 / 2009 Corporate Governance Annual report.

Some discussion then ensued with regards to the attendance figures of some Governors, which was below the recommended 75% benchmark (72% for 2008 / 2009) attendance. It was noted that the Chairman of Governors and Assistant Principal - Registry, Estates & Governor Services would be taking this initiative forward during 2009 / 2010 and into 2010 / 2011 to try and improve attendance levels of all Governors, so that the individual benchmark of 80% for overall attendance could be achieved.

Following consideration, the 2008 / 2009 Corporate Governance Annual Report and all of its appendices and recommendations were **approved** and would be posted on the Governors' Website following approval of the unconfirmed minutes.

## **5.2 Governance Matters**

The Assistant Principal - Registry, Estates & Governor Services presented an up-date in relation to Governance issues affecting Middlesbrough College and the FE Sector. The Governing Body welcomed the up-date, which highlighted areas such as:

1. National Clerks' Network.
2. Governance Conference 2010.
3. Governors' Website.
4. Governance Documents
5. Governance Self Assessment 2008 / 2009.
6. Instrument & Articles of Government.
7. Spring / Summer Up-dates.
8. Governor Training Events.
9. Blackboard.
10. Review of Governance.
11. Recruitment of Principal / Chief Executive.

The report was considered and received.

## **5.3 The Opportunity to Shape the Future Framework for College Governance (*Review of Governance*)**

The Assistant Principal - Registry, Estates & Governor Services presented an up-date in relation to Review of Governance that has been taking place over the last 3 to 4 months.

Firstly it was noted that the Middlesbrough College event on the 24 March 2010 had been cancelled due to low numbers but the event on the 23 March 2010 at Gateshead College did take place and allowed Governors from the North East to participate, albeit none from Middlesbrough College were able to attend.

Governors have been kept abreast of the Review of Governance through detailed reports at the 21 December 2009 and 25 January 2010 Governing Body Meetings, with an added opportunity to complete the survey on-line following the release of the survey from the AoC in February 2010.

During discussions, numerous Governors expressed their opposition to the remuneration of the Chair or Governors in general.

Following discussion on the way to respond, it was **agreed** that:

- Governors could complete the questionnaire attached to the report and send it to the Association of Colleges direct or to the Assistant Principal - Registry, Estates & Governor Services, who would forward the survey on, but this must be done by the 31 March 2010.
- Governors could complete the online survey, with the link being circulated once again on the 29 March 2010 by the Assistant Principal - Registry, Estates & Governor Services.
- A Governing Body response would not be submitted.

The Assistant Principal - Registry, Estates & Governor Services would keep the Governing Body abreast of developments and next steps, as he would be involved in compiling a response from the National Clerks due to his current role as Chairman of the National Clerks' Network.

#### **5.4 Standing Orders Annual Review**

The Assistant Principal - Registry, Estates & Governor Services presented the revised Standing Orders, which had undergone an annual review with some very small changes being proposed mainly in relation to dates within the document.

Some discussion then ensued with regards to how the public could get access to the Complaint's Procedure, which was posted on the Governors' Website. Changes would be made where appropriate.

After discussion on the changes proposed, it was **agreed** that:

- the Standing Orders are approved and would be posted on the Governors' Website following approval of the unconfirmed minutes.

## 5.5 Terms of Reference Annual Review

The Assistant Principal - Registry, Estates & Governor Services presented the revised Terms of Reference, which had undergone an annual review with no changes being proposed at this moment in time.

After discussion, it was **agreed** that:

- the Terms of Reference are approved and would be posted on the Governors' Website following approval of the unconfirmed minutes.

## 5.6 Planning the Governing Body Training Day (12 May 2010)

Following discussion between the Chairman of Governors, Principal / Chief Executive and Assistant Principal - Registry, Estates & Governor Services, the following topics were proposed and **agreed** for the Governing Body Training Day on the 12 May 2010:

1. Safeguarding Arrangements.
2. Funding & Budget Up-date.
3. Curriculum Reforms.

The Assistant Principal - Registry, Estates & Governor Services would liaise with the Chairman of Governors and Principal / Chief Executive on the practicalities of the event, which would mainly be focused around presentations and discussion but it was **agreed** that:

- the Governing Body Training Day would last from 10.00 am to 2.00 pm and would consist of a working lunch due to the volume of discussions needed on all of the topics.
- Mr Mike Hopkins would join the meeting.
- the meeting would take place in Seminar Room 1 or the Demonstration Theatre as this would allow better engagement due to the use of PowerPoint presentation for the meeting.
- the minutes of the previous meeting (29 March 2010) would not be an agenda item.

The Assistant Principal - Registry, Estates & Governor Services would confirm all arrangements by the end of April / beginning of May when the agenda papers would be circulated.

## 5.7 Student Services Up-date

The Principal / Chief Executive presented an up-date in relation to activities within the Student Services Department.

The report was received for information, with the Governing Body noting the progress on EMA, Learner Support Funds, Adult Learning Grant, Childcare funding, applications, Student Well-being Service, Information Advice & Guidance, Enrolment Clearing, Passport Awards, Connexions provision, ICAS 2009 entry, UCAS 2010, Student Ambassadors, Aimhigher, Student Council and FESCO.

The report was considered and received.

## 10/021 ITEM 6 COMMITTEE MINUTES

### 6.1 Finance, Assets & General Purposes (2 March 2010)

In the absence of Mr Brian Whitfield, Chairman of the Finance, Assets & General Purposes Committee, the Vice Principal - Resources presented the unconfirmed minutes of the 2 March 2010 and after consideration, the following recommendations were **approved**:

- a three year rolling capital IT programme of £260,000 plus VAT per annum for operational hardware is established.
- computer equipment would be written off over a period of between three and five years, depending upon the recommended useful life of the asset concerned.

### 6.2 Standards (10 March 2010)

Mrs Hazel Pearson OBE, Chairman of Governors, presented the unconfirmed minutes of the 10 March 2010 and after consideration, the following recommendation was **approved**:

- the 2009 / 2010 Targets, as detailed in Appendix 1 of the Standards' Committee minutes, are approved.

The Principal / Chief Executive then informed the Governing Body of the January 2010 Module Results (*published 11 March 2010*), which had shown a marked improvement in a number of areas. The Governing Body welcomed the improvements made and would continue to monitor its progress through the Standards' Committee.

The Governing Body wished to place on record their thanks to all of the staff for the splendid results and noted that the Director of Programme, Mrs Rosemary Smith was due to retire on the 1 April 2010.

### **6.3 Audit (16 March 2010)**

Ms Sarah Shepherd, Chairman of the Audit Committee presented the unconfirmed minutes of the 16 March 2010 (*revised version tabled*) and after consideration, the following recommendations were **approved**:

- the Anti-Fraud & Corruption Policy is approved.
- the Fraud & Corruption Response Plan is approved.
- KPMG LLP is awarded the Financial Statements / Regularity Audit Contract from the 1 August 2010 for an initial period of 3 years with a further two renewable years of 12 months at the initial contract price of £22,150, renewable annually with the Audit Committee.

Some comments were made in relation to the management response on the Risk Management Internal Audit. The rationale for the response was noted.

#### **6.3.1 Anti-Fraud & Corruption Policy**

Approved, as above.

#### **6.3.2 Fraud & Corruption Response Plan**

Approved, as above.

## **10/022 ITEM 7 PRINCIPAL / CHIEF EXECUTIVE'S REPORT**

The Principal / Chief Executive verbally reported on a number of issues including the achievement of TQS (*Training Quality Standards*), IQER (*Institutional Quality Education Review*), BURA Award and the funding cuts being experienced by the College and a sector.

In relation to the funding cuts the Principal / Chief Executive has discussed a number of at risk areas with the JCNC on the 29 March 2010. It was reported that the Principal / Chief Executive would continue to work with the Unions and Senior Management Team to try and reduce the funding shortfall.

The Governing Body would be kept abreast of development through the papers circulated under agenda item 9.3 and through discussions at the Governing Body Training day on the 12 May 2010.

10/023 **ITEM 8 CAPITAL BUILD**

The Vice Principal - Resources verbally reported on the progress being made with phase 2 of the development following discussions at the Governing Body on the 25 January 2010 when a number of development issues were highlighted (included below for reference):

1. Permanent car parking for 500 - 600 cars to cater for 4,000+ learners and staff on site each day.
2. Full size astro turf pitches and associated pavilion / teaching areas.
3. Expansion spaces for Construction, Engineering, Dance and Theatre Set Design & Production.
4. Further possible expansion of Academic Studies, Higher Education courses and employer and commercial courses.
5. Circuit training, high ropes and climbing wall.

The Vice Principal - Resources then reported on progress being made with the tactics agreed by the Governing Body on the 25 January 2010, which has led to some positive discussions with Tees Valley Regeneration, although due to the current economic and funding climate, the College is still being cautious in relation to its investment strategy.

The Governing Body will discuss in detail the plans and some indicative costings at its Training Day on the 12 May 2010 with the capital build now looking at the Sports Pavillion, Accommodation for Renewable Energies and car parking.

The report was considered and received.

10/024 **ITEM 9 FINANCE MATTERS**

**9.1 Recruitment & Progress against Target 2009 / 2010**

The Recruitment & Progress against Target 2009 / 2010 Report as at the 5 March 2010 was considered and received for information with the following conclusions being noted.

- The College has continued to encounter significant growth in the number of 16-18 year old learners (+7% on 2008 / 2009).
- Adult and Employer targets for 19+ learners should be achievable.
- 16-18 Apprenticeship recruitment remains a challenge.
- PCDL, 6 month unemployed and ESF targets remain challenging.
- HE recruitment continues to grow ahead of targets.

The report was considered and received.

**9.2 Management Accounts (*January 2010*)**

The Vice Principal - Resources presented the January 2010 management accounts and it was noted that the College is forecasting to outturn an operating surplus of £581,166 (excluding one-off net costs and credits of £42,000) with the forecasted historical cost position being a surplus of £557,452 against a budgeted deficit of £600,000 by the 31 July 2010.

To the end of January 2010, there was an operating surplus of £186,500 against a budgeted deficit of £274,000 (excluding the on-going costs associated with retaining Acklam and a one off costs and credits relating to the Middlehaven Project).

The management accounts referred to a number of variances including income, capital, payroll and non pay costs, which are summarised on pages 3 to 7 inclusive and were noted for information, with the most significant reasons for the financial improvement since November 2009 being:

- Additional commercial income from NEEIC funded Corus contracts of £84,000.
- Net increase of other areas of income £33,000.

- £132,000 reduction in forecast for Teaching and Teaching Support pay costs.
- Review of projections for overtime costs resulting in reduced forecast for premises costs of £105,000.
- Reduction of £44,000 in expected full year cost of agency staff.
- Thorough analysis of projected expenditure on exam fees has resulted in a reduction in the forecast of exam fees of £150,000.
- Reduction in curriculum material budgets of £70,000.
- Reduction in the full year VAT costs of £22,000.

The Vice Principal - Resources also highlighted during discussions that the turnaround in the financial position has been mainly due to the fact the predicted growth in unfunded learners has not materialised as planned and that any growth experienced during 2009 / 2010 has been managed mainly through bigger class sizes as opposed to employing more staff and resources.

Cash balances are forecasted to be £5.4 million by the end of the year.

The Governing Body welcomed the positive turnaround of the financial position, which would hopefully ensure that the College is in a stronger position going forward.

The January 2010 management accounts were considered and received.

### **9.3 Budget Setting 2010 / 2011**

The Vice Principal - Resources presented the Budget Setting Provisional Report for 2010 / 2011 informing the Governing Body that over the next few months some difficult decisions would need to be made to ensure that the College remains financially strong through a period of uncertainty with regards to funding.

It was reported that a number of the funding streams had received lower funding allocations in 2010 / 2011 (Employer Responsiveness & Adult Responsiveness) but the 16 – 18 year old funding allocation has been increased to fund continued growth in numbers, which equates to £845,195 of additional income.

Whilst the latter was welcomed, the College was currently reviewing its applications statistics and marketing campaigns to try and ensure these challenging targets could be met, otherwise a contingency may have to be put aside in case the growth was not forthcoming and the Skills Funding Agency wanted to claw back monies during the Academic Year.

The Vice Principal - Resources then reported on a number of issues that are affecting how the budget will be set for 2010 / 2011, including:

1. Resource Implications.
2. Collaboration.
3. Reserves, Capital and Financial Strategy,

with the latter informing the Governing Body of the financial issues in relation to how the current reserves can and cannot be spent, which has caused some confusion in the past – the Governing Body welcomed this detailed up-date, as it would help it formulate future capital plans for phase 2 of any development.

As discussions are still at an early stage, the Governing Body would receive a more detailed up-date, which will then shape the Revenue & Capital Budget for 2010 / 2011 at its Training Day on the 12 May 2010.

The Vice Principal - Resources highlighted a number of actions that needed to take place prior to the 12 May meeting, including:

- produce the March management accounts and feed any changes through into the high level budget strategy.
- continue to analyse the data referred to in section 3 and make a judgement as to how many 16-18 year olds are likely to enrol in 2010 / 2011 and therefore how much of the growth 'allocated' to the College next year should be kept in contingency.
- update the budget for final allocations provided by the Skills Funding Agency (SFA) / Young People's Learning Agency (YPLA) / National Apprenticeship Service (NAS).
- complete the curriculum planning exercise.
- assess the impact of the exercise above on resources such as staff, accommodation and IT.

- complete the savings and efficiency review.
- model the impact of different levels of capital investment going forward.

The Governing Body welcomed the detailed analysis and the High Level Budget Strategy in Appendix 1 of the report.

The report was considered and received.

#### **9.4 Fees Policy 2010 / 2011**

The Vice Principal - Resources presented the Fees Policy for 2010 / 2011 and after discussion, it was **agreed** that:

- the 2010 / 2011 Fees Policy is approved and would be posted on the College Website following approval of the unconfirmed minutes.

#### 10/025 **ITEM 10 STRATEGIC PLANNING 2009 / 2010 REVIEW (AUTUMN TERM)**

The Principal / Chief Executive up-dated the Governing Body on the progress made against the targets set in the Development Plan, the College Operating Objectives and Departmental Operating Plans during 2009 / 2010 (Autumn Term).

The report was considered and received.

#### 10/026 **ITEM 11 SINGLE EQUALITY SCHEME**

The Vice Principal - Resources presented the Single Equality Scheme following approval by the Senior Management Team on the 22 March 2010 and after discussion, it was **agreed** that:

- the Single Equality Scheme is approved.

It was then reported that the document is continually being amended to reflect current practice and the Governing Body would be requested to re-approve the document later in the Academic Year.

10/027 **ITEM 12 INFORMATION ITEMS**

The following items relating to the 2008 / 2009 and 2009 / 2010 Academic Years were for information only and the Chairman of Governors requested that the Governing Body notes these items.

**12.1 University of Teesside Higher Education Business Partnership Annual Review & Monitoring Report 2008 / 2009.**

**12.2 Work Based Learning Up-date 2009 / 2010.**

**12.3 Outward Collaborative Provision Monitoring Up-date 2009 / 2010.**

**12.4 Equality & Diversity Up-date.**

**12.5 Marketing Strategy.**

10/028 **ITEM 13 DATE OF NEXT MEETING**

The Governing Body will meet as follows in 2009 / 2010.

- Wednesday 12 May 2010 at 10.00 am (\*\*).
- Monday 12 July 2010 at 6.00 pm.

(\*\*) Governing Body Training Morning.

10/029 **ITEM 14 ANY OTHER URGENT BUSINESS**

The Chairman of Governors informed the Governing Body that it was her intention to step down as Chairman of Governors as well as a Governor of Middlesbrough College effective 31 July 2010. It was noted that elections for Chairman and Vice Chairman for the 2010 / 2011 Academic Year would take place at the next Governing Body meeting on the 12 July 2010.

10/030 **ITEM 15 MATTERS FOR PUBLICATION**

All agenda papers will be made available in the normal way and circulated to the Learning & Resources Centre with the exception of

- **Agenda item 6.3.2 Fraud & Corruption Response Plan.**
- **Agenda item 9.3 Budget Setting 2010 / 2011.**

Unconfirmed minutes of the meeting, along with the agenda and any appendices, will be posted on the Governors' Website once approved by the Chairman of Governors unless any comments are received by the Assistant Principal - Registry, Estates & Governor Services from Governors within five working days of them receiving the unconfirmed minutes.

10/031 **ITEM 16 RESERVED MATTERS**

None.

The meeting closed at 7.10 p.m.

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### **Committee Circulation**

Mrs H Pearson OBE	College Governor
Mr J Autherson	College Governor
Mr J Bate	College Governor
Mrs S Bates	College Governor
Mr R Brady	College Governor
Mr A Hanif	College Governor
Mrs A V Haskins	College Governor
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