

**UNCONFIRMED**

**THE FURTHER EDUCATION CORPORATION OF MIDDLESBROUGH COLLEGE**

**GOVERNING BODY**

Minutes of the Special Meeting of the Governing Body held on  
Thursday 16 June 2011 at 5.00 pm in the Board Room.

<b>Present</b>	Mr R Brady	Chairman	College Governor
	Mrs S Bates		College Governor
	Mrs M Britton		College Governor
	Mr P Fiddaman		College Governor
	Mrs A V Haskins		College Governor
	Mr M Hopkins	Principal / Chief Executive	
	Miss A McLaren		College Governor
	Mr M McClintock		College Governor
	Mr G Rogers	Staff Governor (Business Support)	
	Miss S Shepherd		College Governor
	Mrs C A Wheatley		College Governor
	Mr D Whitaker		College Governor
	Mr B H Whitfield		College Governor

<b>Officers</b>	Mr R Atkinson	Assistant Principal - Marketing, Communication, Registry and Admissions & Clerk to the Corporation
	Mrs Z Lewis	Deputy Principal - Corporate Services
	Mrs S Morton	Vice Principal - Curriculum & Quality
	Mr D White	Interim Vice Principal - Corporate Services

**In Attendance**

Mr A Goodman	Turner & Townsend
Mrs S McMahan	Niven Architects
Ms D Ripley	Student (Observer Capacity)
Mr R Ronksley	Director of Programme

The Chairman of Governors welcomed Ms Danielle Ripley to the meeting, following her appointment as NUS Sabbatical Officer. It was noted that the appointment would commence shortly and that her role as Student Governor would commence 1 August 2011.

Mr Goodman, Mrs McMahan and Mr Ronksley were also welcomed in their roles as Project Managers, Architects and Director of Programme - A Levels.

11/040 **ITEM 1 APOLOGIES**

Mr T Arnold	College Governor
Mr J Autherson	College Governor
Mr A Hanif	College Governor
Mr A Hume	Student Governor
Mr R Johns	Staff Governor (Academic)
Miss R Murphy	Student Governor

11/041 **ITEM 2 MINUTES**

**2.1 Minutes – 4 April 2011**

The minutes of the Governing Body meeting of the 4 April 2011 were **approved** as a true record and duly signed by the Chairman of Governors.

**2.2 Minutes – 10 May 2011**

The minutes of the Governing Body meeting of the 10 May 2011 were **approved** as a true record and duly signed by the Chairman of Governors.

11/042 **ITEM 3 MATTERS ARISING**

None.

11/043 **ITEM 4 DECLARATION OF INTERESTS BY THE GOVERNING BODY AND THE COLLEGE LEADERSHIP TEAM**

Mr McClintock informed the Governing Body, that depending on discussions, a declaration of interest may be made with regard to his employment with Teesside University but this would be noted in the minutes.

11/044 **ITEM 5 SIXTH FORM CENTRE BUSINESS CASE**

The Principal / Chief Executive and Deputy Principal - Corporate Services presented the Sixth Form Business Case Report which also highlighted the key strategic issues still being discussed within the Principalship, all of which have been shared with the Governing Body during a series of meetings in 2010 / 2011, including:

1. The proposed development of a Sixth Form Centre and external sports facility.
2. Investigating the potential for developing a University Technical College (UTC).
3. Working with the Local Authority to develop a 14-19 network of excellence.
4. Potential merger discussions.
5. Merger / acquisition of a large training organisation.

Up-dates on these initiatives were given in brief where appropriate.

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The Deputy Principal - Corporate Services then discussed the key themes within the report regarding the rationale for a Sixth Form College and this included (*not an exhaustive list*):

- ✓ the number of Middlesbrough students travelling out of the borough to attend another Sixth Form College.
- ✓ support from Middlesbrough Council, as detailed in Appendix 1 of the Sixth Form College Business Case.
- ✓ falling demographics in the Tees Valley over the next ten years.
- ✓ Improvements in the sports provision and the potential to generate income outside of key curriculum times.
- ✓ Any growth would be at the margins as the staffing infrastructure is largely in place with increased class sizes.

The Deputy Principal - Corporate Services then highlighted a number of risks and concerns that may affect the Sixth Form Business Case, which were discussed in turn along with the assumptions as detailed on page 44, including.

- the risk of a delay to opening due to delays in posting the OJEU notice and / or finalising the land contracts.
- the assumptions for changes in 16-18 learner numbers due to growth as a result of the investment (mainly through displacement from other organisations), declining demographics and increases due to raising of the participation age and increasing market share.
- other financial assumptions made in the ten year plan.
- the possible changes to the overall project costs due to the work currently underway to determine how much VAT is properly chargeable against the building project and whether the VAT incurred on professional fees can be mitigated
- the possibility that the College may utilise a subsidiary company in order to maximise the possible VAT reclaim against professional fees (subject to professional advice and recommendation).
- the change in Financial Health status from 'Outstanding' to 'Satisfactory' between 2011 / 2012 and 2014 / 2015) and to 'Good' for the remainder of the Financial Plan.
- the financial implications of **not** investing in this development, noting in particular the predicted turnover levels and operating position for the next ten years should the Governing Body decide not to go ahead.
- the possibility that grant funding may be available from the SFA for this (or another) development and approves the proposed covering letter attached in Appendix 1 of this report to be sent with the business case.

Governors then commented on the design, which was well received.

After detailed discussions and a number of questions posed by Governors in relation to the educational, financial and property business cases as well as issues relating to brand, timing and next steps, it was **agreed** that:

- the Sixth Form Business Case is approved and would be submitted to the Skills Funding Agency for final approval along with the letter, as detailed in Appendix 1 of the report.
- the College Seal would be used where necessary for the Sixth Form Centre Project and in particular to enter into land agreements on the terms set out in section 6.6 of the business case.
- the College would enter into an enabling works contract and a construction contract upon the advice of the College's Advisors Turner & Townsend.
- the assumptions and risks attached to the project, in particular the programme risks, learner growth assumptions and ten year plan assumptions were noted.
- the predicted reduction in financial health status from 'Outstanding' to 'Satisfactory' (between 2011 / 2012 and 2014 / 2015) and to 'Good' for the remainder of the Financial Plan is accepted.
- the potential changes to the project cost due to the final level of VAT chargeable against the scheme is noted.
- the use of a subsidiary company to charge project costs to, if professional advisors recommend this as an accepted method of maximising VAT recovery levels, is approved.
- the College should enter into discussions with its bankers to secure the best temporary borrowing arrangement to cover operational cash flow requirements for very short periods of time during the years 2012 and 2014, if required.
- the possibility of accessing Skills Funding Agency (SFA) grant funding for the scheme should be explored if possible.
- MC6 as a brand concept would be further explored with any final designs being approved by the College Leadership Team and Governing Body so that it can be rolled out during the Marketing Campaign in 2011 / 2012.

11/045 **ITEM 6 DATE OF NEXT MEETING**

The Governing Body will meet as follows in 2010 / 2011.

- Monday 11 July 2011 at 5.00 pm.

11/046 **ITEM 7 ANY OTHER URGENT BUSINESS**

Following an exercise to consult with A level Applicants on the brand name, ninety six returns had been received by the 16 June 2011. 80% of respondents opted for the MC6 concept. Respondent forty-two was then chosen as the winner after counting the number of people in the room and doubling it. The winner of the Ipod Touch would be contacted by the Marketing Department and appropriate publicity arranged.

The meeting closed at 6.55 pm.

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11/047 **ITEM 8 MATTERS FOR PUBLICATION**

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

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 - Marketing, Communications, Registry and Admissions & Clerk to the Corporation from Governors within five working days of them receiving the unconfirmed minutes.

11/048 **ITEM 9 RESERVED MATTERS**

None.

### **Committee Circulation**

Mr R Brady	College Governor
Mr T Arnold	College Governor
Mr J Autherson	College Governor
Mrs S Bates	College Governor
Mrs M Britton	College Governor
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