

# **New College Corporation**

**Tuesday 17 June 2008**

## **Minutes**

**Present:** Mr D Hopkins (Chairman)  
Mr V Davies  
Mr J Dwane  
Mrs J Millington  
Dr S Ali  
Mr P Boulter (Part)  
Mr S Walton  
Mr A Pickerin  
Mr Clark  
Mr I Woulds (Part)  
Mr M Crowson  
Mr T Haynes

**In Attendance** Mrs B Tyley (Part)  
Mr P Taylor (Clerk)

*[Clerk's Note: in the absence of the Chairman, Mr Hopkins, Vice Chairman of the Corporation, chaired the meeting]*

### **1 Apologies**

Dr R Hargreaves, Cllr I Fletcher, Mr J Shaw, Mr J Dean.

With the permission of the Chairman, the Clerk read out a letter he had received from Mr Shaw explaining that notwithstanding the fact that he had been indisposed with a serious illness, his intention was to carry on as a member of the Corporation, although he would, of necessity, have to relinquish his chairmanship of the Search and Remuneration Committees.

## **2 Confirmation of Minutes**

2.1 The open minutes of the Corporation Meeting of 11 March 2008 were confirmed.

2.2 *[In closed session]*

## **3 Declarations of Interest**

None.

## **4 Corporation Appointment**

4.1 The Corporation resolved to appoint Mr T Haynes as second student member of the Corporation.

The Chairman welcomed Mr Haynes to the meeting and Corporation members introduced themselves to him.

4.2 The Clerk reported that unfortunately the Search Committee which met immediately before the Corporation meeting had been inquorate, and was therefore unable to make formal recommendations on appointments. Nevertheless the Committee had met in informal session, and the Clerk summarised the meeting's conclusions. The Clerk reported that Cllr Fletcher had declared himself willing to stand for re-appointment, and that in the light of his good attendance record (77.8% of possible meetings), active role on both Audit and Search Committees, and his general contribution to the work of the Corporation, members of the Search Committee had agreed to recommend his re-appointment.

The Corporation resolved to re-appoint Cllr Fletcher to the Corporation.

*[Clerk's Note: at this point Mr Boulter left the meeting]*

4.3 The Clerk reported that Mr Boulter had declared himself willing to stand for re-appointment, and that in the light of his good attendance record (75.7% of possible meetings), active role of Audit and Student Achievement and Standards Committees, and his general contribution to the work of the Corporation, members of the Search Committee had agreed to recommend his re-appointment.

The Corporation resolved to re-appoint Mr Boulter to the Corporation.

*[Clerk's note: at this point Mr Boulter returned to the meeting]*

- 4.4 Mr Hopkins reported that the Principal would be investigating the possibility of a potential new general member from amongst senior officers in the education service of the Local Authority.

## 5 Principal's Report

Before the commencement of the Principal's Report, Mr Woulds congratulated the Principal, staff and students involved in the recent production of '*Les Miserables*'. He felt that the Production was outstandingly good, and that the occasion reflected very well on the college. Other members who had attended the Production supported Mr Would's sentiments and commended all those involved.

Mr Clark introduced his report (copy in the minute book) for the Corporation, explaining that the report covered three main elements: policy change and change in FE during 2007-08; the impact upon the college of these changes; and college progress and development in 2008 and emerging priorities for the future. He summarised some of the major changes in the education system that provide a backdrop to the latest changes in the FE sector. He emphasised particularly the recurring theme over the years of engaging larger numbers of young people in the education system. He cited in particular the 1944 Education Act provision, which was never implemented, of compulsory part-time education to the age of 18. He noted the concern that participation in post 16 education and training in the UK lagged behind many competitor nations.

In extended debate on the matter of post 16 education and training, several members, including Mr Haynes, Mr Walton and Mr Pickerin, recounted personal experiences of post 16 education, often emphasising the need for a flexible system that took account of personal circumstances and allowed for variable entry and re-entry. Mr Hopkins commented on the need to address the difficulties caused by the significant number of jobs where no training was involved.

Mr Clark referred to the DCSF/DIUS consultative White Paper 'Raising Expectations' published in April 2008 and described its major features, and noted particularly its intention to effect a 'radical transformation' of the education and skills sector. He noted the intention to deliver an entitlement to a new curriculum and new qualifications. Mr Clark expressed the view that while he questioned some of the proposals, noting particularly the difficulties of funding at the 18/19 divide, he felt that the government's motives in this area were sound.

Taken together with the Machinery of Government changes he highlighted some of the key elements emerging from the new policy framework, including: LSC to cease to exist in its current form in 2010; the creation of two new agencies, one for 14-19 and one for post 19 skills; local authorities to lead on 14-19 development and to fund provision by 2010; sixth form colleges to be

're-designated' with a clear role in the new system; and general FE colleges to focus on employer needs.

*[Clerk's note: at a later stage in the meeting the Principal distributed copies of the DCSF/DIUS summary document 'Raising Expectations : enabling the system to deliver']*

In debate on the changes in the local context, Mr Boulter referred to the potential difficulties and competition associated with secondary schools and academies potentially developing new sixth form provision. Mrs Tyley referred to the partnership approach developed by New College to work with other providers of post 16 education in the locality and outlined some of the positive benefits for the college that can arise out of collaboration.

In response to a question from Mr Walton on the nature of the 're-designation' process for sixth form colleges, the Principal responded that precise details of this, and many other proposals, had yet to emerge, but anticipated that matters would become increasingly clear in July and August, and that he would wish to engage governors in the process of strategic positioning as soon as practicable.

Mr Clark referred to the work of the Telford 14-19 Strategic Partnership Board and summarised the college's involvement in a range of wider partnerships. He drew members' attention to a range of 14-19 curriculum development initiatives including 'new diplomas' and the planned introduction of the International Baccalaureate for 2009. He commented that the emerging picture involved: FE self regulation; a new operating framework; peer referencing; and the introduction of a new funding methodology for FE.

Summarising the 2007-08 year to date, Mr Clark noted the excessive length of the Autumn Term and referred to the welcome improving standards of teaching and learning indicated by the observation process and student feedback. He commented on the need for teaching styles which concentrated upon supporting effective learning. Mr Dwane referred to the challenging nature of teaching today, and Mr Haynes noted different styles used by teachers.

Mr Clark concluded by referring to the change to the funding methodology that has led to the college being properly funded for 16-18 year old students.

In a wide ranging debate on the future strategic positioning, Mr Davies and others wondered whether the changes and challenges set out in the Principals' Report would demand changes in the size of the college's student body. In response Mr Clark noted that depending on developments it would be possible to speculate about a successful college with either reduced or enlarged student numbers. In response to a question from Mr Dwane on the college's accommodation strategy, Mr Clark reported that there were no substantive developments to report, and referred to the difficulties associated with the omission from the LSC's approved contractors list of the college's property consultants. Members commented that they were conscious of the

work pressures on both the Principal and Vice Principal, but also recognised the pressing need to improve accommodation. After further debate on accommodation matters, the Corporation resolved that the college accommodation strategy should be a regular separate agenda item for the Corporation.

Mr Hopkins and others thanked the Principal for his wide ranging report, and the Corporation resolved to receive the report.

*[Clerk's note: at this point in proceedings Mr Woulds left the meeting]*

## **7 Corporation Matters**

The Clerk introduced the report (copy in minute book) for the Corporation noting that in the light of the changes consequent upon the new Instruments and Articles of Government a revised procedure for dealing with Corporation vacancies had been drawn up and was proposed for adoption.

The Clerk responded to questions of detail from members, and the Corporation resolved to approve the revised procedures.

## **8 Finance and General Purposes Committee Matters**

As Chairman of the Finance and General Purposes Committee, Mr Hopkins introduced the report (copy in the minute book) explaining that as well as other matters, the report covered three main items considered by the Committee at its meeting of 9 June 2008 : Management Reports to 30 April 2008; the Budget 2008-09 and Three Year Financial Plan to 2010/2011; and the financial health category of the college. He assured members that those three matters had been the subject of detailed considerations by the Committee.

On Management Reports to 30 April 2008, Mr Hopkins noted that they presented a positive position of the year to April, and that the Committee had particularly welcomed the fact that at 73% the pay costs as a proportion of income was coming in below the Corporation's maximum target of 75%.

The Corporation resolved to receive the Management Reports for the Period to 30 April 2008.

On Budget 2008-2009 and Three Year Financial Plan to 2010-2011, Mr Hopkins referred members to the planning assumptions underlying the proposed budget set out in the report, and noted that the Committee had particularly welcomed the improved LSC grant income where growth in student numbers 2007-2008 had been consolidated and a new funding methodology had addressed previous LSC underfunding. Mrs Tyley referred members to the forecast income and expenditure account figures in the report, noting that a positive budget was proposed for the first time in several

years. She pointed out that while the budget and plan presented in the reports are positive, there remained continuing pressure on the college to meet student number targets, and there was a need for continuing flexibility and financial prudence, particularly given the need for longer term investment in college estates. She noted that the budget covered a full staffing establishment, including the estimated cost of a pay award of 2% in 2008-09, and implementation of the next stage of the college's performance management scheme. Mrs Tyley also noted that additional teaching and management posts have been included to reflect planned developments in several subject areas, and referred to the increase in investment in capital equipment.

In commending the budget and financial plan to the Corporation, Mr Hopkins referred members particularly to the fact that in them no account had been taken of the cost and impact of larger term building proposals. In response to a question from Mr Hopkins on the assumed growth of 17% in other income by 2011, Mrs Tyley responded that although the percentage increase was significant it was from a very low base, and that a large growth in learndirect income was potentially achievable.

Mr Dwane and others welcomed the report and the improvement in the overall financial position it described.

The Corporation resolved to approve the Budget 2008-09 and Three Year Financial Plan to 2010-2011.

On the matter of the college's financial health category, Mr Hopkins reported that in the light of the financial health ratios, and the fact that the college was not proposing a deficit budget, the Committee had recommended a restatement of the college's financial health category from 'B' to 'A'. In response to a question from Mr Davies on the significance of the categorisation, Mrs Tyley commented that it was not possible to delineate precisely what use others might make of the categorisation, but considered that given the increased emphasis in the new 'Framework for Excellence' on financial matters it would serve the college's interests to demonstrate a strong financial management position.

The Corporation resolved that the financial health of the college should be re-categorised as 'A'.

In concluding remarks on the Finance and General Purposes Committee report Mr Hopkins noted that the Committee had supported the proposal to explore the feasibility of creating a separate body in the form of a charitable trust and/or company, but stressed that all decisions on the matter would be for the full Corporation .

The Corporation resolved to receive the report.

## **7 Audit Committee Matters**

Mr Davies, Chairman of the Audit Committee, introduced the report (copy in the minute book) for the Corporation explaining that it covered matters dealt with by the Audit Committee at its meeting of 5 June 2008. He referred members to the section in the report covering internal audit service reports on: Additional Learning Support; Human Resources; Income and Remuneration; Risk Management and Corporate Governance; Follow up review of 2006/07 recommendations; and information security management. He noted that the Auditors' assurance was satisfactory for all except Additional Learning Support where the assurance was 'weak'. He reported that the Committee was satisfied with management responses and that a follow up audit review of Additional Learning Support to assess progress on rectifying identified shortcomings was planned.

He drew the Corporation's attention to the performance of both the internal audit service and the financial statements auditor and to the Committee's recommendations on re-appointment.

The Corporation resolved to:

- 1) Approve the re-appointment of KPMG LLP (UK) as college internal auditors for the year commencing 1 August 2008.
- 2) Approve the re-appointment of Grant Thornton LLP as college financial statements auditors for the forthcoming year.
- 3) Receive the report.

## **9 Student Achievement and Standards Committee Matters**

The Corporation noted that there were no Committee matters to report.

## **10 Date of next meeting**

The Corporation noted the dates of future Corporation meetings.