

Further Education Corporation

Approved Minutes

Minutes of the Meeting held on Monday 7 July 2008 at 6.10 pm.

Present: Mr P Pickford (Chairman)
Mr M Baker
Mr J Bruce
Mr S Buggle
Dr R Gray
Mr D O'Halloran
Mr L Privett
Mr M Smith
Mr P Stafford

In Attendance: Professor N South (University of Essex – Observer)
Mr A McGarel (Director of Finance) (Items 9 and 10)
Mr J Hayles (Director of Quality Improvement) (Item 7)

The Clerk took the Chair for items 1, 2.1 and 2.2 on the agenda.

1. Apologies for Absence

Apologies for absence were received from Mrs S Carr, Mr Y Goolamali, Ms R Klass, Ms C Piper and Ms K Stevenson.

Ms R Merrett was absent.

2. Urgent Business

Appointment of Chairman

The Clerk reported that he had received a written nomination, duly proposed and seconded, for Peter Pickford to be appointed Chairman of the Corporation for a two-year period commencing from 7 July 2008. A secret ballot was conducted which concurred unanimously with the nomination and the Clerk declared that Peter Pickford was duly appointed.

The following motion was then passed:

MOTION

That Peter Pickford be appointed Chairman of the Corporation for the two-year period from 7 July 2008 to 6 July 2010.

Appointment of Vice-Chairman

The Clerk reported that he had received a written nomination, duly proposed and seconded, for Rod Gray to be appointed Vice-Chairman of the Corporation for a two-year period commencing from 7 July 2008. A secret ballot was conducted which concurred unanimously with the nomination and the Clerk declared that Rod Gray was duly appointed.

The following motion was then passed:

MOTION

That Rod Gray be appointed Vice-Chairman of the Corporation for the two-year period from 7 July 2008 to 6 July 2010.

Academy Proposal

The Principal and Chief Executive reported that two officials from the Department of Schools, Children and Families had met with her on 26 June asking if the College might be interested in an Academy proposal in Thurrock.

The Board deemed the College's response to this approach to be a confidential matter under the Instrument & Articles and a separate minute has been prepared and is attached to these minutes.

3. Minutes of the Meeting of Monday 17 March 2008 and the Extraordinary Meeting of 9 June 2008

The Minutes of the Meetings held on Monday 17 March 2008 and 9 June 2008 were **APPROVED** and **SIGNED** by the Chairman.

4. Matters Arising

There were no matters arising from the minutes.

5. Strategic Development in South Essex

The Principal and Chief Executive presented a paper summarising recent developments regarding the future of Thurrock & Basildon College and, separately, the new provisions in Thurrock and Basildon derived from the LSC Competitions in which the College is participating.

Thurrock & Basildon College undertook an Options Review with the support of the Learning & Skills Council in Essex in order to consider the best way forward for that College and FE provision generally in South Essex.

Thurrock & Basildon College has resolved, following that review, that they wish to merge with South East Essex College believing that to be the preferred option to achieve the best result for learners and employers in their area.

The Board welcomed this proposal and expressed its willingness to work with Thurrock & Basildon College to evaluate a proposal to merge before taking a final decision on the matter. The resolution of Thurrock & Basildon College is also subject to approval by the Learning & Skills Council nationally and, ultimately, the Secretary of State.

The Board noted the potential synergies of a merger with the new provision and campuses planned by the College following the successful LSC Competitions tendering exercise last year. The Board were reassured that staff have been fully informed of progress thus far.

The Principal and Chief Executive then outlined how matters would now proceed including the legal form of a merger, necessary consultations required, fuller discussions between the two Colleges taking place and a draft timetable with the aim of the merger coming into effect from 1 August 2009. The outline merger proposal will be considered by the Regional LSC on 9 September 2008 (now agreed that the matter will be referred to the Oct 8th meeting) – the proposal will follow a feasibility study to be conducted virtually immediately by Tribal, the consultants who worked on the Options Review.

The Principal and Chief Executive indicated her intention to appoint a merger consultant to assist (possibly a recently retired FE Principal with experience of managing a successful merger) and the importance of HR issues in connection with the whole process. The press coverage was noted – it was largely neutral. The sensitivities of the merger process were emphasized.

There appears to be no surprise or objection to the outline intention from community bodies and other educational institutions. However, the consultation procedure will be critical. The Board felt that curriculum coherence was important in any merger and there was a wider consideration involving SEEVIC and Palmers College in the medium term to secure the opportunities for learners and employers.

The Board **NOTED** the position.

The Board also noted progress being made in connection with securing £4million funding for the interim campus in Thurrock and that, assuming planning permission is granted in early August, the target date to open the facility is January next.

Progress also continues with regard to the permanent Thurrock Learning Campus due to open in 2012 covering site, funding, design and planning issues.

It was noted that New Campus Basildon (interim provision) has been launched and will operate from September 2008 with the College delivering Advanced Engineering in partnership with Prospects College. Permanent provision in the form of a new campus is also being progressed.

The Board **NOTED** the position regarding interim facilities in Thurrock and Basildon.

6. Management Matters (Paper FEC.08.13)

- (a) The Board **NOTED** the retirement of the current Director of Quality & Planning at the end of this month and the appointment as Director of Quality Improvement of John Hayles, formerly Acting Principal of Braintree College.
- (b) The Board **NOTED** the implementation of the Academic Re-organisation of the College into a Faculty model and **RECEIVED** a paper, with supporting organisation chart, from the Principal and Chief Executive observing that it will apply from 1 August 2008.

7. Quality Matters (Paper FEC.08.14)

7.1. Feedback on OfSTED Inspection (12-16 May)

The Board **RECEIVED** a presentation from John Hayles, the College's recently appointed Director of Quality Improvement, on the outcomes of the successful OfSTED inspection during May. A copy of his presentation, which incorporated slides prepared by OfSTED, is attached to these minutes. The inspection outcome is now a matter of public record, having been placed on the OfSTED website last week. Favourable press coverage has been received.

Key highlights:

- The College's procedures and methodology were robust
- College self-assessment gradings found by inspectors to be slightly lower than their assessments
- Grade 2 awarded for Leadership and Management, including a sub-grade of Grade 1 Outstanding for Governance
- Grade 1 Outstanding awarded by the LSC PFA auditor for Financial Management and Control
- Areas of Improvement were seen to be success and attendance rates on some courses, improved teaching of the more able and some aspects of the physical learning environment
- Overall College assessment is good, with outstanding features
- Outstanding contribution to equality and diversity agenda

The Board **NOTED**, with pleasure, the OfSTED Inspection feedback report. It was noted that the College is producing an action plan to follow up on the inspection, although this is no longer an OfSTED requirement.

7.2 Learner Retention Report and End-of-Year Learner Survey

The Board **RECEIVED** two summary reports on the above matters, noting that the full reports have been placed on the College website. The Retention Report summarised the position as at 15 May 2008 and compares fairly favourably with the position at the same date last year, especially on long course

retention (completing learners on 1,2,3 and 4 year courses) which are core elements of the College's provision.

The Learner Survey took place between 21 April and 23 May in paper format and had a slightly lower response rate of 82% as against 85% last year. The importance of such surveys continues to increase in the eyes of stakeholders, especially Government. Responses were quite positive and overall learners responded with 4.2 on the grading scale (1 to 5, 5 being very satisfied) to the statement 'I would recommend South East Essex College'.

This equated with last year's rating score. In essence, learners are satisfied with the quality of teaching and learning they receive in the College. However, it is puzzling that most of the detailed responses were slightly below the NLSS (National Learner Student Survey) given the overall satisfaction for the College expressed by students and the extremely favourable OfSTED inspection just recently. Members were assured that efforts will be made to improve these perceptions with students and any necessary action will be taken.

8. Strategic Management (Paper FEC.08.15)

The Principal and Chief Executive presented an updated report to the Board on the previously agreed LSC Development Plan for 2006-09. This covers the period 2008-2011. It was noted that the LSC have not requested this update, but it will be sent to them in any event.

The Board felt its preparation was good practice and it was noted that the Board receives updates on progress against the Plan on a half-yearly basis, as part of its strategic monitoring of the College.

After discussion, the Board passed the following motion:

MOTION

That the updated report to the LSC Development Plan for 2006-09, as set out in Paper FEC.08.15 be approved.

9. Finance Matters (Paper FEC.08.16)

9.1 College Finances – May 2008

The Director of Finance introduced this item and gave an explanatory PowerPoint presentation, a copy of which is attached to these minutes. College income to the end of May totalled £29,625,000 (£448,000 over budget) and expenditure totalled £28,466,000 (£131,000 over budget) giving a surplus to date of £1,159,000 before exceptional items, which is £317,000 better than budget.

It was noted that the exceptional item of £119,000 reduces the surplus above to £1,040,000 and this comprises write offs of irrecoverable balances on the educational visits account, built up over some years.

The College remains on course for an outturn surplus for the year of £1,148,000 as against the budgeted surplus for the year to 31 July of £987,000. It was noted that payroll costs are well controlled and equate to approximately 61.5% of turnover, which compares favourably with the experience in other Colleges.

The balance sheet remains strong with a bank balance at 31 May of approximately £8 million.

The Director of Finance also explained the points grading system for Financial Health under the LSC Framework for Excellence proposals. This is giving rise to the College being classed in the Outstanding category (effectively equivalent to the present Financial Category A), but the new system is still being piloted and is therefore subject to change.

The Board **NOTED** the current financial position of the College.

9.2 Investments Report

The Board **NOTED** the Investments Report for the month and the year to date – interest income of £36,000 was earned during the month bringing the total for the year to date to £291,000.

9.3 College Budget 2008-09 and Financial Forecast 2008-11

It was noted that the Policy & Resources Committee had considered the draft Budget at their meeting on 2 June 2008 and supported it in principle. The Director of Finance reported that only minor changes had been made to that document but, due to delays in receiving notification of funding allocations from the LSC, it has not been possible to produce a final budget at this stage. The Board received a second draft in the knowledge that any changes should be minimal.

Members were informed of the major assumptions made both regarding income and expenditure, financial objectives, the overall financial context and strategy and the inherent sensitivities in the Budget and the Three-Year Forecast.

Overall, the budget expects a surplus of £709,000, after including a contingency of £200,000. Ignoring the contingency, this would equate to a surplus of 3% of turnover in line with LSC expectations.

Members requested a brief discussion paper to be considered at a future Policy & Resources Committee meeting covering the possible effects of the current economic downturn on the fortunes of the College.

The Board then **APPROVED** the Draft College Budget for 2008-09 and the Three-Year Financial Forecast for 2008-09, noting that some modifications, hopefully not of a material nature, may need to be made in order to reach the final position. The Board was advised by the Clerk to approve the final version at their meeting in October and this was agreed.

The Board expressed disappointment that failures by the LSC in advising allocations has prevented a final budget being approved now as has always been the case in prior years.

9.4 Capital Expenditure 2008-09

The Director of Finance tabled the proposed capital expenditure strategy for 2008-09 detailing the intended projects which are expected to cumulatively cost between £1.3 million and £1.5 million. This excludes any expenditure on the new capital bids.

The Board then passed the following motion:

MOTION

That the proposed capital expenditure plan for 2008-09 as contained in Paper FEC.08.16 in Section 6 of the College Budget 2008-09 be approved.

9.5 Gift Aid

The Board passed the following motion in connection with South East Essex Commercial Services Limited:

MOTION

That the profits of South East Essex Commercial Services Limited be gift aided to the College to remove any liability to Corporation Tax in the Company on the grounds that the College funds all central services for the Company.

10. Risk Management (Paper FEC.08.17)

The Director of Finance presented this item and reminded the Board that the LSC requires Colleges to have in place a Risk Management Policy, a Risk Register and an Action Plan for each academic year. The Policy previously approved by the Board requires no amendment and the Board duly considered the Register and the Action Plan, noting that the Audit Committee is tasked with monitoring the Action Plan during the course of each year. Also, Corporate Governance and Risk Management is subject to annual review by the College's Internal Audit Service.

The Board **APPROVED** the Risk Register and the Risk and Disaster Management Plan for 2008-09.

11. LSC Matters (Paper FEC.08.18)

The Board **NOTED** the AoC response to the Machinery of Government consultation.

12. Equality and Diversity Annual Report (Paper FEC.08.19)

The Board **RECEIVED** the summary of the Equality and Diversity Annual Report for 2008, noting that the full report has been placed on the College website.

13. Partnership with the University of Essex (Paper FEC.08.20)

The Board **NOTED** the report on the work of the HE Partnership Management Board.

14. Audit Matters (Paper FEC.08.21)

- (a) The Board **APPROVED** the reappointment of Scrutton Bland as Internal Auditors to the College for 2008-09, on the recommendation of a panel of the Audit Committee.
- (b) The Board **NOTED** that the Internal Audit Strategy 2008-11 and the Annual Internal Audit Plan 2008-09 will be submitted to the Audit Committee at its meeting in September and will come to the full Board in October.

15. Principal and Chief Executive's Report (Paper FEC.08.22)

The Board **NOTED** the content of the Principal and Chief Executive's Report.

16. Corporation Matters (Paper FEC.08.23)

16.1 The Board **RECEIVED** a verbal report on the tendering process for future Clerking Services to the Board, presented by the Principal and Chief Executive. She advised that only one tender had been received at today's closing date, from the present incumbent, Chaplin Frobisher Welling Limited.

After discussion, and having regard to the satisfaction which the Board has expressed over the performance of the present incumbent (noting the achievement of Grade 1 Outstanding for Governance in the recent inspection by OfSTED and the LSC PFA Audit), the Board agreed not to proceed to a formal interview with the only tenderer and not to seek any further tenders.

The Principal and Chief Executive, together with the Director of Finance were deputed to examine the tender document submitted and the proposed charges for the service and, if they considered those conditions to be satisfactory, authorised to accept the tender on the Board's behalf.

- 16.2** The Board **RECEIVED** a report on the Board Development Day held on 9 June 2008, a summary of statistical information regarding Members' attendance at Corporation meetings and Committee meetings and a summary of formal training undertaken by Board members since January 2003.
- 16.3** The Board **RECEIVED** the Skills Matrix and the current Register of Interests held for each Board Member. Members were asked to notify any amendments required to the Clerk without delay and they were also asked to confirm to the Clerk, by signing an eligibility form, that they continued to be eligible to serve as a Member of the Corporation.
- 16.4** The Board **AGREED** the Corporation Meeting planner for 2008-09 and the attached anticipated items of business for the Board and its Committees next year.
- 16.5** The Board **RECEIVED** a report from Yusuf Goolamali regarding his attendance at the AoC Good Governance Forum held on 29 May 2008, together with the post event report.

17. Membership Matters (Paper FEC.08.24)

17.1 Re-appointment of Student Member

The Board, on the recommendation of the Search Committee, passed the following motion:

MOTION

That Ms Kamesha Stevenson be re-appointed to the Corporation as a Student Member with effect from 1 August 2008 until 31 July 2009, subject to her remaining a student of the College.

17.2 Extension of Terms of Office

The Board, on the recommendation of the Search Committee, passed the following motion:

MOTION

That the below listed members, whose terms of office are currently two years, have their current terms of office extended to a period of four years from the date of their appointment or re-appointment:

Member	Current expiry date	Revised expiry date
Sally Carr	31 March 2009	31 March 2011
Yusuf Goolamali	14 July 2009	14 July 2011
Paul Stafford	31 March 2009	31 March 2011

17.3 The Board **NOTED** the position regarding the process to appoint a new member to the Corporation from 1 August 2008 to represent the student body, following the impending retirement of Ms Roxie Merrett.

18. Reports from Committees (Paper FEC.08.25)

The Board **RECEIVED** reports on the meetings of the Policy & Resources Committee (2), the Audit Committee, the Remuneration Committee (2), the Search Committee and the Academic Board. The Board also received a note of the resolutions passed under delegated authority by the Policy & Resources Committee.

19. Forthcoming Events (Paper FEC.08.26)

The Board received a note of forthcoming events.

20. Date of Next Meeting

Monday 6 October 2008 at 6.00 pm.

There being no further business, the meeting terminated at 8.40pm.