

# CORPORATE BOARD

## NORTH WEST KENT COLLEGE

### Minutes of a meeting of the CORPORATE BOARD

held at 5.30pm on Wednesday, 3 October 2007, at Oakfield Lane, Dartford

**Present:** Mr J Hill (Chairman)  
Mr E Anderson  
Mr J Parkes  
Mr R M Bell  
Dr R Finney  
Mrs S Adams  
Mrs P Jones  
Ms S Nicholson  
Ms E Birchenough  
Mr R Singh Gill

**In attendance:** Mr D Holland (Clerk to the Corporation)  
Mr T Knight (Vice Principal)  
Mr G Parrett (Director of Finance and Systems)  
Mrs C Hopkins (minuting secretary)

The Chairman welcomes Mrs Jones, Headteacher of Ifield School, to her first meeting of the Board.

#### **I-1 APOLOGIES**

Apologies for absence were received from Mr B Williams, Mr B Newell, Mr B Rose, Mrs L Rowan, and reported on behalf of Mr C Doyle.

#### **I-2 MINUTES**

2.1 The minutes of the meeting held on 11 July 2007 were approved and signed as a correct record.

#### **2.2 Matters Arising**

##### **2.2.1 (I-7.2.2) Energy Management**

The Vice Principal reported that he had pursued the issue of the temperature of the new buildings with the LSC, specifically the suggestion that the buildings be insulated to bring the inside

**Action**

temperature down to 25° rather than 28°. He had been assured that this had been only a suggestion and not an LSC policy requirement.

**Action**

### **I-3 FINANCE AND GENERAL PURPOSES COMMITTEE**

3.1 The minutes of the Finance and General Purposes Committee meeting held on 18 September 2007 (Paper No CB/03.10.07/I-3.1) were received and noted.

#### **3.2 Matters Arising**

##### **3.2 (D-1) Personnel Report**

Mr Parkes referred to the discussions at the meeting concerning sickness levels and the support available to staff upon return to work. He queried to what degree the College managed the sickness from the outset, rather than when the staff member returned to work, as stated in the minutes, as he believed that the College should be proactive. The Principal referred back to the minutes and reassured members that procedures were clear and effective in tackling both the causes and consequences of sick-leave. He added that the College did not differentiate between work-related stress and personal stress, when offering counselling services to redress these issues.

### **I-4 AUDIT COMMITTEE**

4.1 The minutes of the Audit Committee meeting held on 19 September 2007 (Paper No CB/03.10.07/I-4.1) were received and noted.

#### **4.2 Matters Arising**

There were no matters arising as the Principal's Report addressed the issue surrounding Gateway Knowledge Alliance.

### **I-5 FINANCIAL REVIEW – AUGUST 2007**

Members received and noted the Financial Review – August 2007, as set out in Paper No CB/03.10.07/I-5.

As reported at the Finance and General Purposes Committee meeting, the Director of Finance and Systems advised that the production of any meaningful management accounts was not possible at this early stage of the year. Governors had been provided with an overview of student numbers, funding and the cashflow forecast for this year, together with a breakdown of LSC funded activity as at the end of last year. The Director of Finance and Systems reported that the LSC contract value had been exceeded during 2006/2007 by £203,218. He was pleased to report that recruitment to date

for 2007/2008 was progressing well.

**Action**

Members were referred to Appendices 3-6, which provided graphical illustrations of the growth in income across Kent by College from 2000 to 2006 (£12m to £27m), together with the positional ranking by income against 455 colleges (170th position up to 85th). The Director of Finance and Systems explained that the graphs showed this College had grown into a favourable position.

The Director of Finance and Systems was pleased to report that £250,000 had been received from the LSC in September for consultants' fees and an additional £800,000 was expected in October. That said, he noted that the management of cashflow over the project would remain key.

#### **I-6 USE OF CORPORATION SEAL 2006-2007 and 2007-2008**

Members received and noted that the Corporation Seal had been used on four occasions during the period 4 July 2007 to 25 September 2007 (Paper No CB/03.10.07/I-6).

#### **I-7 MEMBERS' TRAVEL AND SUBSISTENCE RATES 2007-2008**

Members received and noted the travel and subsistence rates for 2007-2008 (Paper No CB/03.10.07/I-7) which corresponded exactly with the rates payable to staff members.

#### **D-1 PRINCIPAL'S REPORT**

Members received and noted the Principal's Report (Paper No CB/03.10.07/D-1).

The Principal reported that political uncertainty at present is impacting on the way the LSC functions. The Kent and Medway LSC is continuing to operate and retain a statutory responsibility with regard to capital projects, although it is doubtful whether a regional council will be appointed.

The Principal referred to the expected transfer of funding to the Local Authorities for 16-18 year old students with effect from the 2010/11 academic year. He noted that a positive outcome would be the integrated system of 14-19 year old education. In this context, the College might be seen in a positive light, for example dealing with the 'Not in Employment, Education or Training' (NEET) group. However, members were reminded that local authority funding could also be disadvantageous to the College, as pre-incorporation history had shown. If, a national rate were applied uniformly across England, then some of the issues would be eased. But he noted that, during 2005-2006, 26% of the full-time 16-18 year old students originated from the Bexley area. If the transfer of funding were to be based

upon the location of the student, rather than the institution, then the College could be disadvantaged, being a College in the Kent LSC, whereas Bexley is in the London LSC area. The Principal stated that it was imperative that the College was strategically positioned to deal with such contingencies. He expected further details within the next 6-8 weeks, which would be discussed by SMT in order that the strategic plan may be reconsidered.

Following a request from the Audit Committee for further information concerning the legal status of the entity known as the Gateway Knowledge Alliance (GKA), the Principal explained the background of GKA and the growth of the team from the initial one staff member to eight staff members on fixed term contracts, five having been employed within the last two years. Members noted that the College provided the payroll service to the employees and the working capital for the Alliance. The Principal confirmed that GKA had paid rental and capital charges for their offices in K Block. To date, the College has been reimbursed from funding made available to GKA by various agencies. The Principal explained that the one risk which the College might face in its involvement with GKA was the redundancy of four members of staff, although such an eventuality would amount only to two weeks' salary for the four members. The Principal noted that GKA had secured funding from DCLG for the Vocational Centre at Thamesview School and the Construction Workshop at *The Bridge*. The future of GKA remained uncertain as FE/HE establishments were being encouraged to work together in different ways from those which had obtained four years ago, at the time of its establishment.

The Clerk explained that the Audit Committee had sought clarification, in answer to questions by external auditors about the precise legal status of the body known as GKA. Members noted that the capital costs involved in running projects were paid to the Kent County Council who disbursed the funds to the College to cover the GKA payroll and costs. Mr Anderson was concerned with the redundancy issue, inferring that, if the employees were paid as part of the NWK College payroll, GKA might be seen as a subsidiary body of NWKC, with all the attendant liabilities arising therefrom.

The Principal agreed to discuss the matter with external auditors in an attempt to answer their queries.

On a separate issue, Dr Finney sought an update on the status of the closure of the swimming pool. The Principal confirmed that, in effect, there was nothing further to report, but noted that original plan to close the swimming pool in order to renovate it for use by Performing Arts students had been superseded following the revised masterplan for the Dartford campus and the proposed demolition of most of the campus altogether. Members noted that the Principal had met with the User Group and reiterated that if external funding became available, then the College would consider the possibility of retaining a swimming pool at Dartford, subject to revenue costings.

## D-2 CAPITAL PROJECT MONTHLY STATUS REPORT

## Action

Members received and noted the Monthly Status Report dated September 2007 (Paper No CB/03.10.07/D-2), which had been prepared by Norman Rourke Pryme.

The Vice Principal reported that all the necessary planning approvals had been received in relation to the Gravesend campus Blocks C and R capital project. The Application in Principle (AIP) had been approved by the LSC on 9 May 2007, with LSC contribution of 81%. The Application in Detail (AID) had been submitted recently and the Vice Principal anticipated approval at the Council meeting on 22 November 2007. A further AID submission for the remaining works at Gravesend would be made later.

Members noted that the Vice Principal and the Director of Finance and Systems were due to meet next Tuesday with the local LSC, in order to consider the AID for the Gravesend capital project in relation to Blocks C and R. The Vice Principal was hopeful that the in-depth discussions with the local LSC at this point would provide them with the necessary assurances and confidence that, at the national LSC meeting on 22 November 2007, the application would be virtually 'rubber stamped'.

The Vice Principal reported that the original plans, which included the conversion of Block H (swimming pool) at Dartford, had been superseded by the revised Masterplan. The Vice Principal reminded members that the revised Masterplan had been forwarded to governors prior to the open day for local residents which was held last month. He also referred to the artists' impressions which were on display this evening. As far as planning applications for Dartford were concerned, the Vice Principal reported that the plans had recently been submitted to the Council, with a decision likely to be made on 6 December 2007, which was within the expected 8-12 week timeframe advised by the Council.

The Vice Principal advised members that he was due to meet with architects on Thursday in order to finalise the AIP for the Dartford campus prior to his meeting with Dartford Borough Council next week. He was hopeful that a decision from the LSC would be forthcoming in February 2008.

Members were aware, following the Principal's Report in July 2007, that the project managers, Hornagold and Hills, had not been providing the College with the service it required. The Vice Principal reported that during the summer vacation it had become very clear that the situation could not continue. The Corporation's solicitors, Maples Teesdale, were involved in effecting the termination of that appointment and had provided the names of three firms as potential project managers. These had been approached by the College, competitively interviewed and, ultimately, a decision made to engage the services of Norman Rourke Pryme. The Vice Principal assured members that a distinct improvement in service had been noted since their involvement.

Referring to section 2, *Scope of works*, the Vice Principal explained that the new entrance to the Gravesend campus, off Dering Way, was in use and that the new, temporary, nursery had been sited. The Vice Principal recognised that the nursery staff had worked exceptionally hard to ensure that the relocation was carried out with little or no disruption. He noted that within a few days of relocation, the nursery was operating as normal. The Vice Principal reported that the temporary refectory was now in situ but the AID was awaited prior to the demolition of the existing refectory building (Block R). Members noted that it was the intention to commence the 'decanting' process during the half term week at the end of October.

To conclude discussion on the capital project, the Vice Principal referred to section 3, *Planning* and advised that twenty-one local residents, including one councillor, attended the open morning presentation on Saturday, 8 September 2007. He reported very positive feedback from the residents. The Vice Principal also advised that the College website, both internally and externally, would soon contain details of the proposed capital projects with plans and images available for viewing. He was hopeful that staff and interested parties would access the link.

Mr Parkes sought clarification on the time limits for the AID and the timeframe for commencing the work. The Vice Principal explained that the bulk of the work would be completed within a three year period, although landscaping and similar activities could be completed outside of the three years. He referred to earlier discussions concerning the expected transfer of funding from the LSC to local authorities in 2010/11 and explained that he considered it important that approval be sought and obtained for the entire project prior to the transfer, as it was not clear which entity would hold responsibility for capital projects. Members agreed that the capital projects should be progressed.

## **R-1 FINANCE AND GENERAL PURPOSES COMMITTEE**

### **1.1 Terms of Reference**

Members received and noted the Terms of Reference of the Finance and General Purposes Committee (Paper No CB/03.10.07/R-1.1). As proposed by Mr Anderson and seconded by Mr Parkes, it was

**RESOLVED** *to re-adopt the Terms of Reference of the Finance and General Purposes Committee, as detailed in Paper No CB/03.10.07/R-1.1.*

### **1.2 Performance Indicators**

Members received and noted the Performance Indicators of the Finance and General Purposes Committee (Paper No CB/03.10.07/R-1.2). Members were satisfied that the paper had been discussed fully at the meeting of the Sub-Committee. As proposed by Mr Anderson and seconded by Dr Finney, it

was

Action

**RESOLVED to adopt the Finance & General Purposes Committee's Performance Indicators as set out in Paper No CB/03.10.07/R-1.2.**

## **R-2 AUDIT COMMITTEE**

### **2.1 Internal Audit Annual Report 2006-2007**

Members received and noted the Internal Audit Annual Report 2006-2007 (Paper No CB/03.10.07/R-2.1). Members were satisfied that the Sub-Committee had discussed the paper. As proposed by Mrs Adams and seconded by Ms Nicholson, it was

**RESOLVED to endorse the Audit Committee's recommendation of the Annual Internal Audit Report 2006-2007 (as detailed in Paper No CB/03.10.07/R-2.1).**

### **2.2 IAS Strategic Plan 2007-2008**

Members received and noted the IAS Strategic Plan 2007-2008 (Paper No CB/03.10.07/R-2.2). Mr Anderson, as Chairman of the Audit Committee in absentia, agreed with the Committee's suggestion that consideration be given to areas which had not been audited for some time. As proposed by Ms Nicholson and seconded by Mrs Adams, it was

**RESOLVED to adopt the Internal Audit Strategic Plan 2007-2008, as detailed in Paper No CB/03.10.07/R-2.2.**

### **2.3 Annual Risk Management Report 2006-2007**

Members received and noted the Annual Risk Management Report 2006-2007 (Paper No CB/03.10.07/R-2.3). Members were satisfied that it contained the appropriate information. As proposed by Mr Anderson and seconded by Dr Finney, it was

**RESOLVED to adopt the Annual Risk Management Report 2006-2007, as detailed in Paper No CB/03.10.07/R-2.3.**

Further, as proposed by Mrs Adams and seconded by Dr Finney, it was

**RESOLVED to endorse the Audit Committee's recommendation that the role of Risk Champion should become a permanent role within the job description of the Clerk to the Corporation.**

**2.4 RESERVED****2.5 Terms of Reference**

Members received and noted the Terms of Reference of the Audit Committee (Paper No CB/03.10.07/R-2.5). As proposed by Mrs Adams and seconded by Ms Nicholson, it was

**RESOLVED to adopt the Terms of Reference of the Audit Committee, as set out in Paper No CB/03.10.07/R-2.5.**

**R-3 CAPITAL PROJECT****3.1 Endorsement of the appointment of Norman Rourke Pryme, LLP**

Members received and noted the College correspondence which informed consultants of the appointment of Norman Rourke Pryme (Paper No CB/03.10.07/R-3.1). The Vice Principal referred to earlier discussion under item D-2. The project managers had been interviewed and Norman Rourke Pryme, LLP was selected as the most appropriate for the capital project at Gravesend (Blocks C and R) and at Dartford, if the Dartford project should proceed. As proposed by Mr Anderson and seconded by Dr Finney, it was

**RESOLVED to endorse the appointment of Norman Rourke Pryme, LLP, as project managers for the capital project at Gravesend (Blocks C and R), and Dartford, should the Dartford project proceed.**

**3.2 Ratification of the Appointment of HBG and Proposed Contract Sum**

Members received and noted the correspondence and recommendation from the William G Dick Partnership (Paper No CB/03.10.07/R-3.2). The Vice Principal reported that the contractors, HBG Construction Ltd, had been employed and paid on a 'pay as you go' basis to date in relation to the capital project at Gravesend, specifically Blocks C and R, as agreed in the first instance. He advised that the project team was satisfied with the HBG's performance to date and, as the Application in Detail was expected from the LSC on 22 November 2007, it was necessary to ratify their appointment prior to a formal contract of appointment being prepared. The documentation outlined HBG's tender of £19.3m, which was within the previously agreed sum.

Dr Finney sought clarification on whether any governors were involved with the selection of Norman Rourke Pryme, as project managers, or with the final design of the Dartford campus. The Vice Principal stated that no governors had been involved with the interviews of the project managers during the summer vacation but, with respect to the design of the Dartford campus, governors had the plans before them at the Board meeting of 11 July



2007.

**Action**

As proposed by Mr Anderson and seconded by Mr Parkes, it was

**RESOLVED** *to ratify the appointment of HBG Construction Ltd as the main contractor for the capital project at Gravesend, specifically Blocks C and R, and to accept HBG's tender of £19,315,214.*

### 3.3 **Form of Procurement of the Contractor for Dartford (negotiation with HBG or Full Competitive Tender Process through (OJEU?))**

Members received and noted Norman Rourke Pryme's Supplementary Report dated September 2007 (Paper No CB/03.10.07/R-3.3).

Members noted that there were two items for resolution under this item. Item 1, approval of HBG Construction Ltd, as the main contractor, had been considered and resolved under Item R-3.2.

The second item for resolution was to enable the project team to proceed with the procurement of contractor(s) for the Phase 1 works at Dartford. The Vice Principal explained that Phase 1 at Dartford included the development of new Block B along the Oakfield Lane roadway, the construction of a new Sports facility, and a new Theatre. He reiterated the three avenues available to the College, which were detailed within Paper No CB/03.10.07/R-3.3:

1. Single Tender Competitive Tender
2. Two Tender Stage
3. Negotiation and single contractor.

The Vice Principal reported that Jon Lowen, of Norman Rourke Pryme, has recommended that the third option would be most favourable, due to the time constraints and bearing in mind possible difficulties associated with transfer of funding to local authorities in 2010/11. The Vice Principal was hopeful that HBG could be appointed as contractor for the Dartford project, with a contract clause which permitted the College to remove HBG should their performance fall below par. If the two stage tender process were necessary, a further six months would have to be added to the timescale. The Vice Principal advised that he was awaiting a response on the third option from the LSC. Ms Birchenough cautioned that the College would have to be absolutely certain that HBG was able to deal with the overlap period, of some eighteen months. Mrs Adams believed it was Norman Rourke Pryme's responsibility to investigate that aspect and advise the College. Mr Anderson queried whether the OJEU process was avoidable. The Vice Principal clarified, firstly, that he had discussed the issues of governance with Maples Teesdale and, secondly, he had received confirmation that HBG was able to deal with the overlap period. He reported that Maples Teesdale had advised against the OJEU process.

Mr Anderson was happy to agree that the College should proceed with the procurement of contractor(s) for the Phase 1 works at Dartford subject to receiving LSC approval and the appropriate legal advice. Members agreed. As proposed by Mr Anderson and seconded by Mr Parkes, it was

**RESOLVED** *to direct the project team to proceed with the procurement of contractor(s) for the Phase 1 works at Dartford by way of negotiation and single contractor, as detailed in Paper No CB/03.10.07/R-3.3, subject to receiving LSC approval and the appropriate legal advice.*

**3.4 Approval for Future Expenditure, particularly on Dartford, between the hopeful determination of the Planning Application by Dartford Borough Council on 6 December 2007 and the desired approval of Application in Principle by LSC in March 2008**

The Clerk explained that this item was contained, erroneously, within Paper No CB/03.10.07/R-3.3, specifically the final page which detailed the request for Board approval of additional expenditure at risk.

The Vice Principal confirmed that if the design for Dartford progressed and, assuming the Application in Detail for Gravesend was approved on 22 November 2007, the College would be at risk from 7 December 2007, being the date after the proposed meeting of the Dartford Borough Council, until the date of approval of the Application in Principle for Dartford, possibly March 2008. The Vice Principal also confirmed that the progression of the Application in Principle for Dartford would not commence without the Application in Detail for Gravesend having been received. He advised that the additional expenditure at risk totalled £600,000.

Mr Anderson was happy to agree that the College should proceed with the Application in Principle for Dartford, subject to approval in detail having been received for Gravesend. Members were in agreement. As proposed by Mr Anderson and seconded by Mr Parkes, it was

**RESOLVED** *to approve the expenditure, at risk, of an additional sum totalling £600,000 to enable the design to commence on Phase 1 at Dartford, subject to the approval in detail having been received on 22 November 2007 from the LSC for the Gravesend project, such risk being expenditure incurred between 7 December 2007 and March 2008.*

**3.5 Resolution to Borrow from Lloyds TSB the Principal Sum up to £6m**

Members received and noted the Facility Letter dated 19 September 2007 from Lloyds TSB (Paper No CB/03.10.07/R-3.5.1) and the draft resolution (Paper No CB/03.10.07/R-3.5.2).

The Director of Finance and Systems reiterated previous discussions regarding the need for a further loan in connection with the capital project. He advised that the College was approaching the need to drawdown further funds. The Director of Finance and Systems reported that the rate being offered by Lloyds TSB was 0.32% above base rate and was certain that such a good rate would not be offered again by the bank. He had discussed loans with colleagues in the sector and the LSC had reiterated that the best rate available at present would likely be 0.4%. Members noted that the funds, being two facilities of up to £3m each, would be drawn down as necessary. As proposed by Mr Anderson and seconded by Dr Finney, it was

**RESOLVED** *that loan facilities in an original principal sum of up to £6,000,000 be arranged with Lloyds TSB Bank plc and that the offer of such facilities made by the Bank in a letter dated 19 September 2007 (Paper No CB/03.10.07/R-3.5.1) be accepted.*

Further, as proposed by Mr Anderson and seconded by Mr Parkes, it was

**RESOLVED** *that the Vice Chairman of the Corporation, as Chairman of this meeting, and the Secretary, be authorised to execute the Resolution of North West Kent College, as detailed in Paper No CB/03.10.07/R-3.5.2.*

## **C-1 ANY OTHER BUSINESS**

- 1.1 Dr Finney referred to the decision of the Board in July 2007 to hold one meeting per term at the Gravesend campus. He noted that the next meeting was scheduled to take place at the Dartford campus, resulting in both Autumn Term meetings being held at the Dartford campus. The Clerk advised that the restaurant at Gravesend had been reserved for Christmas dinners on the evening of the next Corporation meeting. Arrangements were in hand, however, for meetings in the Spring Term to be held at the Gravesend campus. Members were in agreement and hopeful that the meetings in the Spring Term would enable governors to view the progress of the capital project.
- 1.2 The Clerk reported that he had met with the Kent Youth Service Worker, Martin Wyborn, to discuss the requirement for two student governors. Mr Wyborn had confirmed that much interest had been generated amongst students and he was confident that two student governors would be present at the December meeting.

## **C-2 DATE AND TIME OF NEXT MEETING**

5.30pm, Wednesday, 19 December 2007 in the Boardroom at Dartford.