

CORPORATE BOARD

NORTH WEST KENT COLLEGE

Minutes of a meeting of the CORPORATE BOARD

held at 5.30pm on Wednesday, 26 March 2008, at Oakfield Lane, Dartford

Present: Mr J Hill (Acting Chairman)
Mr E Anderson
Mr J Parkes
Ms E Birchenough
Dr R Finney
Mr R Singh Gill
Mr B Newell
Mrs S Adams
Mrs P Jones
Mrs L Rowan
Mr R M Bell
Mr G Moody
Mr A Ajjiyo
Mr J Williams

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)

I-1 APOLOGIES

Apologies for absence were received from Mr B Williams and Ms S Nicholson.

Members welcomed recently-elected Staff Governor, Mr Graham Moody, and Student Governor, Mr Jason Williams, to their first meetings of the full Corporate Board.

I-2 MINUTES

2.1 The minutes of the meeting held on 30 January 2008 were approved and signed as a correct record.

2.2 Matters Arising

2.2.1 There were no matters arising.

Action

I-3 LEARNER SUPPORT FUND COMMITTEE

Action

3.1 The minutes of the Learner Support Fund Committee meeting held on 5 February 2008 (Paper No CB/26.03.08/I-3.1) were received and noted.

3.2 Matters Arising

3.2.1 There were no matters arising.

I-4 SEARCH COMMITTEE

4.1 The minutes of the Search Committee meeting held on 12 February 2008 (Paper No CB/26.03.08/I-4.1) were received and noted.

4.2 Matters Arising

4.2.1 Dr Finney, as Chairman of the Search Committee, reported that several applications had been received in response to the standing advertisement on the College internet. He reported that the applications had been considered by the Committee but none was suitable for the role of 'business governor'.

Following concern being expressed by Mr Parkes in relation to the absence of Councillor Kite from all meetings since his appointment in early 2007, members noted that there had been extenuating circumstances, but the matter would be reviewed at the next meeting of Search Committee.

I-5 STANDARDS COMMITTEE

5.1 The minutes of the Standards Committee meeting held on 26 February 2008 (Paper No CB/26.03.08/I-5.1) were received and noted.

5.2 Matters Arising

5.2.1 There were no matters arising.

I-6 ESTATES COMMITTEE

6.1 The minutes of the Estates Committee meeting held on 4 March 2008 (Paper No CB/26.03.08/I-6.1) were received and noted.

6.2 Matters Arising

6.2.1 (I-3.1.1.1) **Fire Risk Assessments**

The Clerk confirmed that the outstanding issues following the review of the College's Fire Risk Assessment had been discussed by SMT. Although none of the issues raised was serious,

responsible persons had been identified and actions attributed to them.

Action

6.2.2 (D-1) Risk Manager's Report

The Vice Principal reported that Ainsleys, consultants, would make a formal presentation to members on the subject of managing contractors at the next meeting of the full Corporate Board on 21 May 2008.

I-7 AUDIT COMMITTEE

7.1 The minutes of the Audit Committee meeting held on 5 March 2008 (Paper No CB/26.03.08/I-7.1) were received and noted.

7.2 Matters Arising

7.2.1 (I-3) Internal Audit Report, Visit 1, January 2008

Mr Anderson, Chairman of the Audit Committee, reported that concerns had been raised about the standard of the Audit Report. He noted that amendments had been made, but the Committee would be discussing the matter further at the next meeting.

I-8 FINANCE AND GENERAL PURPOSES COMMITTEE

8.1 The minutes of the Finance and General Purposes Committee meeting held on 11 March 2008 (Paper No CB/26.03.08/I-8.1) were received and noted.

8.2 Matters Arising

8.2.1 (D-1) Personnel Report

The Vice Chairman reported that the new Personnel Manager, Mrs Joanna Lewis, had presented her list of priorities to the Committee and members had been impressed with her attention to detail at such an early stage of her employment.

I-9 JOINT STEERING GROUP

9.1 The minutes of the Joint Steering Group meeting held on 11 February 2008 (Paper No CB/26.03.08/I-9.1) were received and noted.

9.2 Matters Arising

9.2.1 There were no matters arising.

9.3 The minutes of the Joint Steering Group meeting held on 13 March 2008 (Paper No CB/26.03.08/I-9.2) were received and noted.

Action

9.4 **Matters Arising**

9.4.1 (D-2) **Joint Steering Group's Review of IOP**

Following Mr Parkes request for clarification on increasing the Corporate Board membership to 25 in the event that this College and Bexley College should merge, the Clerk advised that it would necessary to make application to the Secretary of State for an transitional increase of membership. He stressed that members of this Board could not be asked to step down in the event of a merger. Members agreed that the Search Committee was the appropriate vehicle for consideration of the skills of members of both Corporations.

As far as the merger process was concerned, the Principal reported that, with the Clerk and the shadowing Chairman, he had met last week with the Chairman of this Corporation, together with the Corporation's solicitors, Maples Teesdale, and discussed the due diligence process. The Principal reported that, following the meeting of the Joint Steering Group, members believed that both solicitors and accountants should be engaged, respectively, to undertake the process on behalf of North West Kent College. Members noted that the Principal was awaiting confirmation from the Corporation's solicitors on their involvement with the project. Mr Anderson reported that the Chairman of Bexley College had agreed to such action being taken by this College.

I-10 ANNUAL CORPORATE CONFERENCE

10.1 The minutes of the Annual Corporate Conference held on 15 March 2008 (Paper No CB/26.03.08/I-10.1) were received and noted.

10.2 **Matters Arising**

10.2.1 (2) **Presentation and Discussion: Framework for Salaries and Conditions of Service for Staff Other than Senior Postholders**

Dr Finney referred to the Principal's presentation at the Annual Corporate Conference. He believed that the Corporate Board should take the matter forward and record its approval of the salary structure process within the College, bearing in mind that the Conference was not a formal meeting of the Corporation. Dr Finney referred to his previous suggestion that the process be approved by the Corporate Board ever three or four years, or sooner if there was significant activity, such as a merger. Mr Anderson suggested that the process should be considered by the Personnel

Manager and the Principal prior to consideration, and recommendation being made, by the Finance and General Purposes Committee.

It was

RESOLVED *to endorse the framework for salaries other than for senior postholders, as documented by the Principal at the Annual Corporate Conference on 15 March 2008. Further consideration of the framework to be given by the Finance and General Purposes Committee every four years, or sooner if significant activity were to merit review.*

Action

Clerk

I-11 MANAGEMENT ACCOUNTS TO JANUARY 2008

Members received and noted the Management Accounts to January 2008, as set out in Paper No CB/26.03.08/I-11. Members agreed that as full consideration of the Management Accounts had taken place at the Finance and General Purposes Committee meeting, the Director of Finance and Systems should highlight any areas of particular importance.

The Director of Finance and Systems reported that the College was ahead of contract overall, with the 16-18 year old full-time student numbers were at 102% of contract (3,218 against a contract of 3,160) and 19+ full-time student numbers were at 96% of contract. He advised that there had been significant growth in the number of 16-18 year old students this year. The Director of Finance and Systems was confident that the College should be close to contracted numbers this year.

Members noted that cash days in hand stood at 33 days, against 58 at the same time last year, which, although quite low, was being managed. Debtor and creditor days were good, pay expenditure as a percentage of income was on a par with the sector at 67% and the College's total borrowing as a percentage of income stood at 28%.

The Director of Finance and Systems drew members' attention to Appendix 3, which highlighted the LSC Core Funded Activity at Month 6, and, specifically to the additional column, *Percentage Contribution to Overheads*. Members noted that the column represented the difference between costs and income and included staffing and fees, although pay costs had not been enhanced. Members discussed the viability of some of the courses and the percentage contribution made towards overheads and, as far as the NSTC was concerned, the Director of Finance and Systems reported that an external consultant had been employed to reconfigure some of the courses being offered in an attempt to achieve a better outcome.

The Director of Finance and Systems reported that Appendix 3b provided a

breakdown of retention in the courses being delivered within Higher Education. Members were encouraged that retention was currently 94.3%. The Vice Principal added that retention for 16-18 year old students during the 2007/2008 academic currently stood at 90%.

I-12 USE OF CORPORATION SEAL 2007-2008

The Clerk reported that the Corporation Seal had been used one during the period 23 January 2008 and 18 March 2008 (Paper No CB/26.03.08/I-12).

I-13 GUIDANCE ON MODELS OF GOVERNANCE

Members received and noted document entitled “New Models of Delivery: A Quick Reference Guide for Governors” (Paper No CB/26.03.08/I-13). The Principal reported that the models and options contained within the document were available for working collaboratively with other providers to support effective operation within a demand-led system. However, he advised that the view within the sector was that the guidance did not provide sufficient flexibility to work with external organisations, and, although the document had been received recently, it was already out of date. Members agreed that they should be provided with further information when it became available.

D-1 PRINCIPAL’S REPORT

Members received and noted the Principal’s Report (Paper No CB/26.03.08/D-1).

The Principal briefly referred to the successful outcome of the Annual Monitoring Visit/Re-inspection of Area 14, which had been discussed at length at the Annual Corporate Conference. He advised that the full report would be circulated to members, when received.

Referring to his comments on the Learning and Skills Council, which will cease to exist in 2010, the Principal tabled a list of bullet points relating to the 14-19 Non-Departmental Public Body (“NDPB”) and the Skills Funding Agency (“SFA”) (Paper No CB/26.03.08/D-1.1 (tabled)). He advised that the NDPB would be relatively small; it would be working to the Department for Children, Schools and Families (DCSF), and would be home to a national and regional structure but not a local one. As far as funding was concerned, it would be made available according to the location of learning and not the authority in which the student lived. Members noted that the local authorities would be answerable to the new body at a strategic level, although general FE colleges would be dealt with by the ‘quango’, ie NDPB. The Principal explained that the Government believed that the education of children under the age of 19 years should be co-ordinated through the DCSF, although, in reality, general FE colleges were caught between that body and

the local authorities.

The Skills Funding Agency (SFA) would be a separate departmental body and would be the funder and commissioner of post 19 education, and the Ministerial responsibility for FE would sit with the Department of Innovation, Universities and Skills (DIUS) rather than DCSF.

The Principal explained that issues for the college arising from this division:

- with the LSC advertising for members for their regional structure, the Principal queried what arrangements were in place for the LSC, at a regional level, to consider the College's capital project and merger proposal;
- it would be very difficult to secure approval from the SFA for any capital projects, so it was important that final approval was given for our projects by the end of this year;
- the merger process would have to go through the London LSC but the Principal believed there may be a 'slow down' from the LSC as a result of the upheaval being experienced.

D-2 ANNUAL HEALTH AND SAFETY REPORT 2006/2007

Members received and noted the Annual Health & Safety Report to Governors for the Year September 2006 to August 2007 (Paper No CB/26.03.08/D-2), which had been redrafted by the Risk Manager following the last Corporation meeting.

The Clerk advised that he had met with Mr Parkes and the Risk Manager in order to discuss the type of report which members would consider appropriate. Mr Parkes reported that the graphical illustrations had been incorporated in an attempt to identify trends, although he noted that the statistics on page 4 did not correspond with those on page 6. The Clerk believed that there may have been some correction of data originally supplied by Personnel, but he agreed to discuss the matter with the Risk Manager and report back at the next meeting.

Mrs Adams considered the report now contained the information sought by members, in an agreeable format. Members endorsed her opinion.

R-1 SEARCH COMMITTEE

1.1 Re-appointment of Co-opted Member: Mr RajVinder Singh Gill

Members received and noted the abstract from the minutes of the Search Committee held on 12 February 2008 (Paper No CB/26.03.08/R-1.1). As proposed by Mr Anderson and seconded by Mr Newell, it was

Action

Clerk

RESOLVED *to endorse the recommendation of the Search Committee that Mr RajVinder Singh Gill be re-appointed as a Co-opted Member of the Corporation.*

Action

R-2 ESTATES COMMITTEE and FINANCE AND GENERAL PURPOSES COMMITTEE

Members received and noted the abstracts from the minutes of the Estates Committee (4 March 2008) and the Finance and General Purposes Committee (11 March 2008) relating to the financial exposure involved with the capital project (Paper No CB/26.03.08/R-2.1).

The Vice Principal reminded members of the risk which had been taken previously in relation to the capital project. He noted that the decision from the LSC regarding the Dartford project had been delayed slightly but, in order to ensure the project remained on course in accordance with the schedule of works, an extended financial risk was necessary. The revised financial exposure on the Dartford project until May 2008, when a decision was expected from the LSC, was £3.75m. The financial exposure to March 2008 had been £2.89m. The Vice Principal reported that there had been no indications to date that the project would not be accepted and he was confident of the outcome. He believed that Governors' willingness to underwrite such a risk would demonstrate to the LSC the College's commitment to the project.

Mr Anderson noted two elements of risk: financial risk for the College, and risk for governors personally if they were to be held accountable for the loss. He noted, however, that the Clerk believed that the second risk would be minimal, providing members could be seen to have acted in good faith, upon the basis of sound economic reason and advice. Mr Anderson sought comfort from the Director of Finance and Systems on the College's ability to cope with the expenditure, if approval for the project was not forthcoming. The Director of Finance and Systems assured members that the College could afford the risk at present, but was unable to confirm the same for the future, given the uncertainties of the new funding methodology. He believed that if there were to be a payback period, then it could be added to the current loan of twenty years.

The Vice Principal advised that if the project were rejected, initially, by the regional and national committees, the College would address the concerns and resubmit the application to the LSC. Although there may be a time delay and an extension of the risk for that period, the Vice Principal stated that he did not foresee any circumstances in which rejection would be absolute or irretrievable.

Members acknowledged that consideration had been given to the financial exposure and risk of the College. As proposed by Mr Anderson and seconded by Dr Finney, it was

RESOLVED *to endorse the recommendations of the Estates Committee (4 March 2008) and Finance and General Purposes Committee (11 March 2008) and accept the risk of £3.75m as detailed in Paper No CB/26.03.08/R-2.1, in order to allow the preparatory work associated with the capital project, to include:*

- *the continuation of design to enable first stage tenders to be obtained for the Phase 1 works (Blocks S, T and B),*
- *preparation of the first stage tender documents and selection of contractors,*
- *survey and investigation works,*
- *test borehole for the proposed Aquifer Thermal Energy System,*
- *tender and commencement of the temporary car park works, and*
- *installation of temporary accommodation*

to continue, prior to approval of the Application in Principle by the LSC, on the clear understanding that the cost of such additional works might not, ultimately, be underwritten by the LSC.

R-3 AUDIT COMMITTEE

Members received and noted the Risk Register and Risk Reduction Plan (Paper No CB/26.03.08/R-3.1). As proposed by Mrs Adams and seconded by Mrs Jones, it was

RESOLVED *to accept the Risk Register and Risk Reduction Plan as set out in Paper No CB/26.03.08/R-3.1.*

R-4 FINANCE AND GENERAL PURPOSES COMMITTEE

4.1 Bank Loan – To Hedge or Not to Hedge

Members received and noted the abstract from the Finance and General Purposes Committee (11 March 2008), together with the Lloyds TSB presentation and the document prepared by the Director of Finance and Systems entitled *Managing Interest Rate Risk – Hedging* (Paper No CB/26.03.08/R-4.1).

The Director of Finance and Systems referred to the discussion which had taken place at the Finance and General Purposes Committee meeting. He reported that this College was, according to Lloyds TSB, the only college which had not hedged its loan/s and the bank was *suggesting* that it should hedge at this time. The Director of Finance and Systems believed that the

College had benefited by not hedging the loans to date. Members noted that the bank had indicated that it would permit an interest-only loan until 2011 and consolidation of the three loans, although there was pressure to hedge the loans first.

Members discussed the current rates, the rates applicable to the College and the economic outlook. As proposed by Mrs Adams and seconded by Dr Finney, it was

RESOLVED *to endorse the recommendation of the Finance and General Purposes Committee that the Director of Finance and Systems discuss with Lloyds TSB consolidation of the College's three bank loans on the basis of interest-only being payable until 2011, but on the basis that the loan remains as it is, ie not hedged.*

4.2 Government Procurement Cards

Members received and noted the abstract from the Finance and General Purposes Committee (11 March 2008) in relation to Government Procurement Cards (Paper No CB/26.03.08/R-4.2).

The Director of Finance and Systems reported that the cards were used widely within schools and universities, under strict control. He believed that the cards would benefit budget holders. He proposed that six individuals/departments within the College should trial the cards and a review be undertaken in twelve months. Members noted that use of the cards would be subject to tight control by the Finance Department. As proposed by Mrs Adams and seconded by Mr Parkes, it was:

RESOLVED *to endorse the recommendation of the Finance and General Purposes Committee that Government Procurement Cards (GPC) be introduced, initially for use by six individuals/departments under the tight control of the Finance Department, such cards to be reviewed in twelve months' time.*

4.3 College Fees

Members received and noted the abstract from the Finance and General Purposes Committee (11 March 2008) and the Director of Finance and Systems' paper entitled *Fees Policy 2008-2009* (Paper No CB/26.03.08/R-4.3).

As proposed by Mr Anderson and seconded by Dr Finney, it was:

RESOLVED *to adopt the Fee levels set out in Paper No CB/26.03.08/R-4.3.*

4.4 Membership

The Clerk reported that a further committee member was required to fill the vacancy on the Finance and General Purposes Committee, which had been created by Mr Rose's retirement from the Corporation.

The new Staff Governor, Mr Moody, agreed to join the Committee. As proposed by Mr Anderson and seconded by Mr Parkes, it was:

RESOLVED *that the vacancy on the Finance and General Purposes Committee be filled by the Staff Governor, Mr Graham Moody.*

R-5 JOINT STEERING GROUP

5.1 Submission of Initial Outline Proposal (Merger with Bexley College) to LSC

Members received and noted the draft Initial Outline Proposal for a Merger between Bexley College and North West Kent College (Paper No CB/26.03.08/R-5.1).

The Principal reported that, following consideration by the Joint Steering Group, the IOP had been revised and the revised version was before members for approval. He noted that the JSG had been satisfied with the content of the document overall. The Principal stressed to members that the IOP was not a commitment that the two colleges would merge, but was the first stage of a three stage process. If members approved the IOP, then the response of the LSC to the merger would be tested. The Principal reported that although one location of Bexley College housed a modern construction facility, another was in need of immediate attention and the Bexley College members of the JSG were concerned that the merger may result in no improvements to the existing Bexley College campuses being made. Members noted that the IOP document presented the educational case for the merger.

Mrs Jones suggested that section 6.2.4.5 should include reference to Ifield School. Mr Moody believed that the diplomas, which would be available from September 2008, provided another opportunity for the Colleges to develop further. The Principal agreed with both members.

As proposed by Mr Parkes and seconded by Dr Finney, it was:

RESOLVED *to approve the Initial Outline Proposal for a Merger between Bexley College and North West Kent College, as outlined in Paper No CB/26.03.08/R-5.1.*

R-6 REVISION TO INSTRUMENT AND ARTICLES OF GOVERNMENT

Action

Members received and noted the revised Instrument and Articles of Government, and the paper prepared by Eversheds which listed the changes to them (Paper No CB/26.03.08/R-6).

The Clerk highlighted various changes:

- Instrument 1 member categories no longer exist;
- Instrument 6(8) flexibility to replace the Chairman;
- Instrument 6(9) flexibility to replace the Chairman;
- Instrument 17(3) requirement to publish the Corporation minutes of the institution’s website;
- Article 3(1)(a) requirement to periodically review the institution’s educational character and mission;
- Article 3(1)(b) requirement to approve the institution’s quality strategy;
- Article 5(3) requirement to publish the Search Committee’s rules, Terms of Reference and advice to the Corporation on the institution’s website;
- Article 8 requirement to publish the Corporation’s policy regarding attendance at meetings by non-members and the publication of minutes of Committee meetings on the institution’s website.
- Article 10 removal of the prescription around the suspension and dismissal of staff.

Clerk

The Clerk confirmed that the Article 3(1)(a) change would be added to the Profile of Business, and appropriate minutes would be added to the College’s website.

As far as the Article 3(1)(b) was concerned, the Clerk would seek advice on whether the Corporation had to approve the aims of the quality strategy or the procedures to be followed.

Clerk

Referring to Article 10, the Clerk believed that the current Terms of Reference of the Special Committee would stand scrutiny within the parameters of the Revised Articles, although he would fully re-consider the document and submit it to the next meeting of the Corporation for ongoing endorsement.

Clerk

Members noted the amendments to the Instrument and Articles of Government.

C-1 ANY OTHER BUSINESS

1. The Clerk referred to the continuing absence of the Chairman of the Corporation. He reported that the Chairman had raised the question of his term of office during their recent meeting and had requested the Clerk to seek members’ approval for him to retain the Chair until the merger with

Bexley College was complete or, if the merger did not proceed, until the end of his term, ie March 2009. Members unanimously agreed to the Chairman's request.

2. Mr Newell agreed to act as mentor to the new Staff Governor, Mr Moody.

C-2 DATE AND TIME OF NEXT MEETING

5.30pm, Wednesday, 21 May 2008 in the Boardroom at Dartford.

Action