

CORPORATE BOARD

NORTH WEST KENT COLLEGE

Minutes of a meeting of the CORPORATE BOARD

held at 5.30pm on Wednesday, 25 March 2009, at Dering Way, Gravesend

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

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)

Prior to the commencement of the formal meeting, a presentation, in the presence of the Senior Management Team, was made to the Chairman upon his retirement from the Board on 31 March 2009. The Chairman expressed his thanks to the Senior Management Team and members for their assistance over the period of his involvement with the College, and the last sixteen years as Chairman of the Corporation.

I-1 APOLOGIES

Apologies for absence were received from Ms S Nicholson and Mrs Rowan.

I-2 MINUTES

2.1 The minutes of the meeting held on 28 January 2009 were approved and signed as a correct record.

Action

2.2 **Matters Arising**

2.2.1 There were no matters arising.

I-3 LEARNER SUPPORT FUND COMMITTEE

3.1 The minutes of the meeting of the Learner Support Fund Committee held on 3 February 2009 (Paper No CB/25.03.09/I-3.1) were received and noted.

3.2 **Matters Arising**

3.2.1 (I-2.2.3) **Learner Support Programme: Discretionary Funding Guidance and Requirements 2008/2009**

The Clerk confirmed that he had written to the local authorities, as requested, and would be discussing the matter further with the Director of Student Services.

I-4 STANDARDS COMMITTEE

4.1 The minutes of the meeting of the Standards Committee held on 24 February 2009 (Paper No CB/25.03.09/I-4.1) were received and noted.

4.2 **Matters Arising**

4.2.1 (I-2.2.3) **Corporate Board Self-Assessment 2007/2008**

Dr Finney, as Chairman of the Standards Committee, referred to the Board's self-assessment and the on-going requirement to improve through training. The Clerk advised that he had received information on such an event from LSIS and would circulate the details to members.

I-5 AUDIT COMMITTEE

5.1 The minutes of the meeting of the Audit Committee held on 4 March 2009 (Paper No CB/25.03.09/I-5.1) were received and noted.

5.2 **Matters Arising**

5.2.1 (I-2.2.1) **Audit of Learner Support Fund**

Members noted that the Learner Support Fund would be audited by Internal Auditors as part of a three year cycle.

Action

Clerk

I-6 ANNUAL CORPORATE CONFERENCE

Action

6.1 The minutes of the Annual Corporate Conference held on 7 March 2009 (Paper No CB/25.03.09/I-6.1) were received and noted.

6.2 Matters Arising

6.2.1 (5) Overview of the College's Quality System including Annual Monitoring Visit Report and Action Plan Agreed at SMT

Dr Finney noted that the quality process was being improved across the College but opined that the nature of governors, both as link governors and as panel members on programme reviews, required further consideration.

I-7 FINANCE & GENERAL PURPOSES COMMITTEE

7.1 The minutes of the meeting of the Finance and General Purposes Committee held on 10 March 2009 (Paper No CB/25.03.09/I-7.1) were received and noted.

7.2 Matters Arising

7.2.1 There were no matters arising.

7.3 Minutes of the extraordinary meeting held on 9 February 2009

7.3.1 The minutes of the extraordinary meeting of the Finance and General Purposes Committee held on 9 February 2009 (Paper No CB/25.03.09/I-7.2) were received and noted.

7.4 Matters Arising

7.4.1 The Principal referred to the LSC's requirement that colleges should increase their borrowing when applying for capital project assistance. He also referred briefly to the letter dated 23 March 2009 from Mr Sion Simon, Parliamentary Under Secretary of State for Further Education. Members noted that the Principal had attended a meeting of Principals earlier in the week, following which the LSC had been contacted regarding borrowings for capital projects and the necessity to ensure that borrowing was obtainable from the banks. The Principal noted that this College had received verbal authority to borrow the funds, but awaited written approval. Members noted that the Principal would be contacting the local LSC, as per the Minister's recommendation, to make clear the College's financial position.

I-8 SEARCH COMMITTEE

8.1 The minutes of the meeting of the Search Committee held on 17 March 2009

(Paper No CB/25.03.09/I-8.1) were received and noted.

Action

8.2 Matters Arising

8.2.1 There were no matters arising.

I-9 ESTATES COMMITTEE

9.1 The minutes of the meeting of the Estates Committee held on 17 March 2009 (Paper No CB/25.03.09/I-9.1) were received and noted.

9.2 Matters Arising

9.2.1 There were no matters arising.

I-10 MANAGEMENT ACCOUNTS TO JANUARY 2009

Members received and noted the Management Accounts to January 2009 (Paper No CB/25.03.09/I-10). Referring to the LSC contract for 2008/2009, the Director of Finance and Systems advised that the College was reasonably comfortable with the Month 6 accounts. Members noted that 16-18 funding as at Month 6 was at 98% of contract, and Adult Learner Responsive funding at 93% of contract. The Director of Finance and Systems anticipated the LSC contract would be achieved at year end. Cash days in hand and the current ratio were low, which were to be expected during a capital project.

Referring to the appendices, the Director of Finance and Systems highlighted specific areas:

Appendix 1 – Income: a positive variance was noted for *Other Operating Activities* following receipt of monies arising from the closure of the Kent and Medway Hub.

Appendix 3 – ILR funding estimates for 16-18 year old learners based on the new funding methodology. Members were advised that the National Funding Rate apportioned to learners was below that actually funded to this College; the applicable rate being £2,902.

Appendix 3a – ILR funding estimates for 19+ students based on the new funding methodology.

Appendix 3b and 3c – Outlined the numbers of students involved with Train to Gain and NVQ in the workplace as at the end of January 2009.

Appendix 4 – The Cashflow Forecast for the College was difficult to predict, and was challenging, due to the uncertainties of funding associated with the capital project, although the Director of Finance and Systems had assumed that further funds would be made available from July/August 2009.

Appendix 5 – The Balance Sheet highlighted that fixed assets had increased in the last twelve months due to the capital project.

Appendix 6 – The 2008/09 Summary Statement of Activity outlined the complexity of the funding streams this year.

The Chairman thanked the Director of Finance and Systems for the manner in which he had conducted the Corporation's financial affairs during his time at the College and particularly for the comprehensibility of his presentation skills to non-financially expert members.

I-11 USE OF CORPORATION SEAL 2008-2009

Members received confirmation from the Clerk that the Corporation Seal had been used twice during the period 21 January 2009 to 17 March 2009 (as detailed in Paper No CB/25.03.09/I-11).

I-12 GOVERNOR TRAINING EVENT: INTRODUCTION TO FINANCE & FUNDING FOR GOVERNORS AND CLERKS

Members received and noted the report prepared by Mrs Adams following her attendance at the training event on 11 February 2009 (Paper No CB/25.03.09/I-12). Mrs Adams reported that she had found the training to be useful, particularly as supplemented by the in-house training provided by the Director of Finance and Systems at the Annual Corporate Conference on 7 March 2009.

D-1 PRINCIPAL'S REPORT

Members received and noted the Principal's Report (Paper No CB/25.03.09/D-1) and the tabled letter from Siôn Simon, Parliamentary Under Secretary of State for Further Education dated 23 March 2009 (Paper No CB/25.03.09/D-1.1 (tabled)).

The Principal advised that he had attended a Principals' "summit" on Monday, 23 March 2009 involving those principals whose colleges had been affected by the delays in funding on capital projects. He advised that this college was one of seventy-nine colleges whose projects had been stalled. The Principal explained that the LSC's original budget of £2.3bn had been expended, although an additional £300m had been found for approval, on the 4 March 2009, of the seven projects which were in the pipeline when the process had been suspended in January. He advised that an estimated £3bn was 'in the system' although there were no funds available for any of the projects, and that an estimate of £220m-£230m had been expended by colleges in working up their projects. Members were reminded that this College's expenditure was approximately £10m.

Referring to the summit, the Principal stressed that assurance had been given that no college would fail due to the situation faced at present. He explained that the assumption was that Sir Andrew Foster's draft report would identify the LSC's failure and not the failure of others. The prevailing view was that priority criteria would be discussed, although he believed that the Foster Report, available prior to Easter, would not contain details of such criteria. The Principal explained that if funding were to be made available, he anticipated news within the Budget on 22 April, although the required full £3bn was unlikely.

Referring to Siôn Simon's letter, the Principal highlighted paragraph 4 on page 2, ie that principals should contact their local LSC if their college was at a significant risk financially, and advised that he had sought to discuss the matter with the LSC but, to date, had been unsuccessful. As far as appropriate decisions having been taken and commencement with preparatory planning and development work (paragraph 5, page 2), the Principal noted that the College had expended approximately £10m and would have to show to the audit team that the decisions taken were appropriate. The Principal explained that although questions had been raised as to why the banks (RBS and Lloyds) were not being pushed to assist in this instance, discussions were ongoing. The AoC was keen to consider this aspect further.

To conclude on the capital project, the Principal stated that the local press had shown an interest, however he had simply reported that this College was one of seventy-nine colleges affected nationally and that decisions remained to be taken at a macro-political level.

R-1 AUDIT COMMITTEE

1.1 Financial Management and Control Evaluation for FE Colleges

Members received and noted the Financial Management and Control Evaluation for FE Colleges (Paper No CB/25.03.09/R-1). Members were advised by Mr Anderson, as Chairman of the Audit Committee, that some issues had arisen with the document, specifically the lack of opportunity to consider the document fully prior to submission and the exact role of governors in relation to the document. It was agreed that, in future, a preface would be appended by the Clerk, making clear the judgements and actions required by governors.

As proposed by Mr Singh Gill and seconded by Ms Birchenough, it was

RESOLVED *to endorse the Financial Management and Control Evaluation for Further Education Colleges document, as detailed in Paper No CB/25.03.09/R-1.1.*

R-2 FINANCE AND GENERAL PURPOSES COMMITTEE

Action

2.1 College Fees

Members received and noted the Fees Policy relating to 2009/2010 (Paper No CB/25.03.09/R-2.1) previously discussed at the Finance and General Purposes Committee. As proposed by Mr Anderson and seconded by Dr Finney, it was

RESOLVED to adopt the Fee levels set out in Paper No CB/25.03.09/R-2.1.

2.2 Financial Regulations

Members received and noted the Financial Regulations which had been updated upon the basis of advice received from Auditors (Paper No CB/25.03.09/R-2.2). As proposed by Mrs Adams and seconded by Mr Moody, it was

RESOLVED to adopt the revised Financial Regulations, as detailed in Paper No CB/25.03.09/R-2.2.

2.3 Further Borrowing Requirements

Members referred to the minutes of the Extraordinary Meeting of the Finance and General Purposes Committee held on 9 February 2009 (Paper No CB/25.03.09/I-7.2). The Director of Finance and Systems explained that a long-term facility of £13m was in existence at present but an additional sum up to £24m would be required for the interim period, pending the outcome of the capital project Application in Detail. He anticipated the borrowing would be required until December 2009. As proposed by Mr Anderson and seconded by Mr Parkes, it was

RESOLVED to endorse the recommendation of the Finance and General Purposes Committee and, in accordance with the Bank's Amendment Letter dated 2 March 2009 endorsed by the Chairman, Vice-Chairman and Principal, to increase borrowing on a short-term basis up to £24m, with the minimum amount required by the bank to be on a fixed term, and subject to the ability to transfer the balance of such borrowing to a fixed term basis at a later date.

R-3 SEARCH COMMITTEE

Members received and noted the extract from the Search Committee meeting held on 17 March 2009 together with the curriculum vitae and skills audit of Mr Olu Oguns (Paper No CB/25.03.09/R-3). Dr Finney, as Chairman of the Search Committee, explained that, although there had been some difficulties

arising from Mr Oguns' understanding of the Skills Audit, members had recommended appointment as a business member. As proposed by Mr Parkes and seconded by Mr Anderson, it was

RESOLVED to accept Mr Olu Oguns as a Business Member of the Corporate Board.

Dr Finney expressed his willingness to act as mentor to Mr Oguns. As proposed by Mr Anderson and seconded by Mr Parkes, it was

RESOLVED to appoint Dr Finney as mentor to Mr Olu Oguns.

R-4 CHAIRMAN

Paper No CB/25.03.09/R-4.2 was considered prior to Paper No CB/25.03.09/R-4.1.

4.1 Election of Chairman

Members received and noted the Preface to Paper No CB/25.03.09/R-4.1, which highlighted that a single nomination for the role of Chairman of the Corporation had been received.

Referring to the shadowing of the Chairman role which Mr Anderson had undertaken over the last few years, the Chairman commended Mr Anderson's appointment as Chairman of the Board.

Following discussions under Item R-4.2 concerning the term of office of Chairman/Vice Chairman, members considered the re-appointment of Mr Eddie Anderson at this point rather than, as scheduled, by the Search Committee during the Summer Term and proposed subsequent resolution by the Corporate Board on 8 July 2009. Members gratefully acknowledged the skills, attendance and input of Mr Anderson during his eight years on the Board.

As proposed by Mr Newell and seconded by Mrs Adams, it was

RESOLVED to appoint Mr Eddie Anderson for a further period of four years, and specifically as Chairman of the Corporation from 1 April 2009.

Mr Anderson referred to his time on the Board since 2001, thanked members for their support and the opportunity to lead the Board. On behalf of the Board, he thanked the Chairman for his invaluable service to the College since 1990.

4.2 Term of Office of Chairman/Vice Chairman

Members received and noted the Preface to Paper No CB/25.03.09/R-4.2, following discussions at the Annual Corporate Conference on 7 March 2009.

Members were satisfied with the proposals made at the Annual Corporate Conference and, as proposed by Mr Moody and seconded by Mrs Adams, it was

Action

RESOLVED *to define the term of office of the Chairman and Vice Chairman of the Corporation as being for a maximum of four years as at their date of appointment, subject to the provisions of an appraisal process, if implemented.*

C-1 ANY OTHER BUSINESS

None was raised.

C-2 DATE AND TIME OF NEXT MEETING

5.30pm, Thursday, 21 May 2009 at Oakfield Lane, Dartford.