

**The College of West Anglia
Minutes of Corporation Meeting
9 December 2009, Board Room, King's Lynn
10.10 am**

Present	Peter Dixon	Chair
	Roger Almond	Kate Atherton
	Di Atkinson	Jack Bantoft
	Kate Barnett	Sharon Cambridge
	Andrew Cave	Jamie Cook
	Paul Cotton	Charlotte Johnson
	David Steele	Derek Stringer
	Roger Ward	Sandy Willatt
	Mike Williams	
	David Pomfret	Principal
Attending	Arlene Clark	Executive Director, Curriculum and Learning
	Richard Williamson	Executive Director, Finance and Information
	Hilary Reid	Clerk to the Corporation

The meeting was preceded by a briefing led by Arlene Clark, Executive Director, Curriculum and Learning, on "The New Inspection Framework".

1 Apologies

Cheri Crosley, Nick Daubney.

2 Minutes of previous Meeting – 21 October 2009

The Minutes of the meeting of 21 October 2009 were agreed as an accurate record and signed by the Chair.

3 Matters Arising

(i) Page 2 item 5 (ii) Cash Machine facilities

The Executive Director, Finance and Information, had spoken with the banks again. A cash-back system was being piloted within the King's Lynn shop and, if successful, could be rolled out across other locations with credit card facilities.

The Principal reported:

(ii) Page 3 item 5 (ii) Pathway at Isle

Remedies for the pathway at Isle Campus were being considered by the Property Services team.

(iii) Page 3 item 5 (ii) Printing charges

Broadly, printing charges had been accepted by students. Some complaints had arisen regarding the cards and the Learning Resources Manager was investigating these. Assurance was given that any student facing difficulties would be supported. Monitoring of the service would continue.

(iv) Page 4 item 10(2) Health and Safety Executive Investigation

- (a) Structural engineers had made a focused visit to the King's Lynn campus. The College continued to actively monitor its actions.
- (b) There had been a "near miss" incident involving a tractor and train at the Milton Campus. A RIDDOR report was to be made. The matter was being managed by the Transport Police.

(v) Page 4 item 10(3) Alternative Workshop Facilities Progress Report

Alternative arrangements had been secured to maintain all aspects of the College's workshop provision. There had been an impact on relationships with some employers. It was not intended to use the temporary Brickwork facility beyond the current academic year but plans for the future were being driven forward. The options on the lease for the Polar Building had been extended. However, it was likely that different options for the Open Road premises would have to be identified for Motor Vehicle provision for the next academic year.

(vi) Page 5 item 10(4) Academy

Announcements had been made in the Press that capital funds from the Building Schools for the Future initiative had been approved. The Academy was the top County priority together with major redevelopment of Marshland High School. The expression of interest was being submitted to the Operations Board of the DCSF today. The feasibility stage, should ministers approve the submission, would commence early in the New Year with the proposed time frame of opening an Academy in September 2010 and a new school in September 2014. Until the Memorandum was signed there was no commitment on the part of the College.

The Chair welcomed Mike Williams to the meeting.

4 Appointments

The election of the Staff Governor for the Norfolk sites was reported by the Clerk. The successful candidate was Mike Williams, a member of the Faculty of Creative Arts.

Peter Dixon proposed, seconded by Sharon Cambridge, that Mike Williams be appointed Staff Governor to the Board for a term of 4 years. Agreed.

5 Reports from Students' Union

(i) Cambridgeshire Campuses

The Student Governor, Cambridgeshire, reported verbally. He raised the problems experienced by students connecting to the Internet and put forward a suggestion that Wi Fi might be installed. The Principal acknowledged connection had been sporadic during the term, that this had been recognised and resolutions were being driven forward. It was questioned whether Wi Fi would solve the problem, since connection would still be through the College network.

(ii) Norfolk Campuses

The Student Governor, Norfolk, reported verbally. She reported there were no new comments arising from the class representatives' meeting.

The reports were noted.

The Chair brought forward item 15 at this juncture – Minutes of Meetings – in order to better inform members' consideration of the accounts.

6 Minutes of Committee Meetings and Working Groups

(i) Performance Review and Quality Committee 30 September 2009

Kate Atherton, Chair of the Committee, proposed the Minutes for adoption. She highlighted the work of the Head of Organisational Development and Quality with the PHAB Group – sharing of good practice and peer review and development; the emphasis placed on child protection and vulnerable adults in the safeguarding reports; the student survey which, overall, provided a positive picture but there was concern about cleanliness of the site, catering facilities and the management of courses which the Committee had suggested should be addressed more forcefully in the future.

In response to a governor's query, the Principal noted that a new approach was being developed to seeking student views. There was a move away from surveys towards focus groups in order to better understand some of the issues.

(ii) Finance and General Purposes Committee 1 October 2009

(iii) Finance and General Purposes Committee 10 November 2009

Andrew Cave, Chair of the Committee, proposed the Minutes for adoption. He explained that the meeting of 1 October 2009 had been called principally to consider and approve the payment to the Cambridgeshire LGPS of a sum not exceeding £100k to finalise the transfer of Isle College employees to the Norfolk LGPS.

The meeting held on 10 November had considered the CWA accounts for the year ended 31 July 2009 in great detail. He explained that a key issue had been that the accounts were prepared on the underlying assumption that the College remained a going concern. In view of the failure of the accommodation strategy and the consequent implications, the write off of assets and the impact on the College's balance sheet in writing off all its reserves, members discussed whether it was appropriate to recommend to the Board this view of a going concern.

Members of the Committee considered guidance from Baker Tilley set out in papers circulated with the agenda. After considerable debate, the Committee concluded that the College could meet its liabilities for the following 12 months and remain a going concern. On that basis it was appropriate to adopt that view and to recommend approval and to authorise the Chair of the Board and the Principal to sign off the accounts.

The Auditors, KPMG, required the Board to sign a Letter of Representation making certain statements to them that the College would remain a going concern, and this was considered. The final consideration was whether the Committee felt there was sufficient uncertainty, or not, and whether notes should be made in the accounts. The Committee took the view that there was not a need to add anything because it was not possible to look beyond 12 months.

Derek Stringer, a member of the Finance and General Purposes Committee, commented that the cash flow projection for the next twelve months indicated a pressure point around March 2010 but the bank facility in place gave added comfort that the College remained a going concern.

Sharon Cambridge requested clarity regarding the definition of "foreseeable future" and was advised by the Executive Director that this was not defined but normally considered to be a minimum of 12 months.

Governors' further comments and responses were noted, as follows:

- **Contentious issues within the Financial Memorandum:** AoC and Finance Directors were working together and were in discussion with the LSC. The Skills Funding Agency (SFA) were due to take over and changes were likely.
- **The worries and concerns of staff teams about the perception that large sums of money were spent on an agreement in principle:** These perceptions needed to be addressed and action would be taken by management. CWA Scene could be the appropriate vehicle for providing information and assurances to staff.

The challenge of communication was how to achieve an understanding and perception of the past 4/5 years – the pressure from government and the LSC for new buildings, the multitude of decisions to be made by the Board and the considerable risks involved.

If the information was to be put in the public domain there needed to be a simplified version for the media. Management must meet the needs of the staff but ensure the correct messages were received.

The Executive Director of Finance and Resources was to meet with the unions and managers to share and better understand the context in which decisions were made.

The Chief Executive Officer of the LSC had made a statement that no Senior Management Team or Corporation Board was responsible for the position they found themselves in with regard to capital. The impact of the LSC's decisions had been felt across the sector.

It was important to note that the College had acted in accordance with LSC's rules and requirements throughout the process.

It was agreed that the Chair and Principal would meet to discuss appropriate mechanisms for communication with staff. Action: DP/PD

(iv) Property Steering Group 6 October 2009

Peter Dixon, Chair of the Group, proposed the confidential Minutes for adoption. He advised there were still some contractual issues outstanding and settlement of the final sum for Milton. The Group had discussed revised Terms of Reference for steering the new estates strategy forward and these would be brought to the next meeting of Corporation for approval.

(v) Employment Policy Committee 14 October 2009

Derek Stringer, Chair of the Committee, proposed the Minutes for adoption. He asked members to note: (i) the budget implications for the estates strategy arising from Health and Safety demands and planned maintenance needs; (ii) UCU proposals to ballot their members regarding industrial action around concerns of potential redundancy and excessive class size – members rejected strike action but a majority voted for industrial action that was not strike related; and, (iii) the new sickness and absence policy – the College was performing below the sector average and absenteeism carried a huge cost for the organisation.

The Principal provided an update on the UCU position. He advised that having provided further clarity regarding class sizes, UCU confirmed no action would be pursued. However, national UCU, independently of the College's local branch, had confirmed that they intended to take ballot action over a proposal for a 6% increase in pay.

(vi) Search Committee 14 October 2009

Peter Dixon, Chair of the Committee, proposed the Minutes for adoption. Resignations and appointments of governors had been considered; governors' attendance figures reviewed; and, self-assessment returns analysed. The commitment and endeavour of governors was commended.

(vii) Audit Committee 4 November 2009

David Steele, Vice Chair of the Committee, proposed the Minutes for adoption. He highlighted the discussions echoed by Finance and General Purposes Committee in considering the accounts; auditors' concerns about management pressures; the Committee's concerns regarding succession planning in the organisation and the referral to Employment Policy Committee. The Strategic Internal Audit Plan 2009-2012 and the Annual Internal Audit Plan for 2009/10 were recommended to Corporation for approval. The FMCE report had been considered fully and was recommended to Corporation for approval.

(viii) College/King's Lynn and West Norfolk Borough Council Strategic Liaison Group 28 September 2009

The Principal reported that the Local Authority had been disappointed with the outcome of the LSC's decisions re the new build. The Authority was looking at its own structure.

The Principal added that the Liaison Group meeting with Fenland District Council scheduled for 30 November 2009 had been cancelled by them. The formal structures were now being reviewed with senior management at FDC.

Peter Dixon moved adoption of the Minutes, en bloc, seconded by Paul Cotton. Agreed unanimously.

It was further agreed that Minutes of Meetings be brought forward in the agenda of future meetings – to follow the Student Union reports.

7 Management Accounts to 31 October 2009

The Executive Director of Finance and Information reported. The current overall position was £500k above budget mainly due to pay costs being below budget by £300k although there was detailed work still to be undertaken. The Principal noted that the Unions had been kept informed of progress.

The £1.8m surplus was not expected to be projected to the end of the financial year. The risk areas had been identified as Response to Redundancy income, fees, maintenance costs and accelerated depreciation of buildings to 10 years.

The current position was noted.

8 Draft Annual Report and Financial Statements 2008/09

The Executive Director of Finance and Information presented the financial statements and consolidated accounts for the year ended 31 July 2009 for Corporation approval and authorisation for the Chair and Principal to sign off on behalf of the College. In his presentation, the Director highlighted the following points:

- Because accounting policy had changed there were minor changes to the wording in note 1 and note 22 to the Income and Expenditure Statement, Balance Sheet and Cash Flow Statement.
- There was a substantive error in the table of operating results – the budget income total should read 35,899. The capital grant release figure of 1,448 should read 629.
- At an operating level, better than budget deficit of £0.4m had been achieved, excluding an exceptional write-off of £1.4m from buildings.
- The main factors were increased income from Train to Gain, Apprenticeships, fees and lower depreciation costs (excluding £1.4m write off).
- Compared to 2007/08, there was a significant rise in pay costs as a percentage of income, which were above the sector norm of 65%.
- The restructure achieved the savings projected. Further substantial savings were to be made through curriculum planning in 2009/10.
- Buildings identified by SMT with a book value of £1.4m had been written off. A condition survey was still under way, but SMT had provisionally set a maximum life of 10 years for other older buildings.
- £7.8m had been written off against the property strategy. Set against this was £690k of grants from LSC.
- There was a £7.5m write off against increased LGPS pension liabilities caused by stock market falls, longer life expectancies and market interest rate increases.

Governors agreed to accept the actuarial assumptions and rely on the professional advice from the actuaries in the calculation of the College's pension fund deficit.

- The transfer to Norfolk of the pension scheme for continuing, ex-Isle employees was nearing conclusion. A provision of £1.5m for the settlement figure had been made in the accounts.
- Net assets of £8m and a reduction of reserves were noted in the balance sheet.
- That part of note 28, page 46 of the draft accounts re contingent liabilities that referred to the pensions transfer settlement had been removed from the final version.
- The slight amendment to the wording on "going concern", made after the F&GP meeting, in the Statement of Corporate Governance and Internal Control (page 17 of the Members' report and consolidated financial statements referred) was highlighted. The Chair of F&GP concurred that the reference to the College being aware of its net liabilities was appropriate.

The Executive Director reviewed the factors influencing the Corporation's view that the College was a going concern – reduction in the college's cash reserves; the demise of the building programme and increased maintenance expenditure; a positive projected cash balance for the next 12 months; and, the external economic environment affecting future government funding decisions. He assured the Board that a borrowing facility to £10m remained in place but emphasised that achievement of the long range financial plan was contingent upon achieving substantial efficiency savings.

The Executive Director identified the unprecedented changes in risk during the year, in particular that there was currently no accommodation strategy in place and weaknesses in MIS controls for 6 months of the year. However, he concluded that he believed the College had an effective framework of controls and that it was appropriate for the governing body to sign off the accounts with comfort from the IAS Report and the Audit Committee's Report.

He presented the Letter of Representation for approval.

The Chair of the Finance and General Purposes Committee provided assurance that members of that Committee had thoroughly scrutinised the papers presented to the Board for consideration and that the discussion had been detailed and challenging. The F&GP Committee had concluded that a recommendation for approval of the accounts and signing of the Letter of Representation should be made to the Corporation.

Andrew Cave proposed approval of the accounts, seconded by Roger Ward. Agreed with 3 abstentions. The Staff and Student Governors refrained from the vote.

Andrew Cave proposed approval of the Letter of Representation, seconded by Derek Stringer. Agreed with 3 abstentions. The Staff and Student Governors refrained from the vote.

8 Student Union Accounts 2008-09

The Principal presented the Student Union accounts for approval. The accounts had been considered by both Audit Committee and F&GP both of whom were satisfied with the controls which had been re-established during the last two years. A specific trip had been poorly managed and accounted for a loss of £1k. Trips of this nature would not be pursued in future years.

Kate Atherton proposed approval of the Student Union accounts, seconded by Derek Stringer. Agreed unanimously.

9 Recruitment Trends/Student Numbers Update

The Executive Director of Finance and Information presented a report to update governors on current student numbers and current funding position for 2009/10 and, in summary, the out-turn for 2008/09.

With the Chair's agreement, the Executive Director, also introduced an emergency item of any other business.

Key points from the report were -

2008/09 Out-turn

- 16-18 provision: the funding target had been met and there had been no clawback.
- Adult learner responsive was under target by 7%. Clawback had been calculated at £88k.
- Employer responsive contracts (Train to Gain and Apprenticeships) were fully achieved.

2009/10 Position

- Main 16-18 and adult learner responsive targets had been exceeded.
- Employer responsive contracts (Train to Gain and Apprenticeships) were on target. Additional work would be unfunded and there were constraints on Train to Gain recruitment.
- The LSC funding income profile would impact over the year.

Noted.

Funding Audits (Emergency item of any other business.)

The Executive Director of Finance and Information advised the Board that the LSC were re-introducing funding audits for FE Colleges. It was very possible that the College would be audited in 2011 and it was felt to be critical for the College to review its systems and regimes for accuracy prior to this taking place.

The LSC and the Audit Code of Practice required any additional audit work over £20k to have the approval of Corporation in advance.

The work was proposed for March because of MIS department work schedules. There were thought to be only 3 firms in the market with the appropriate expertise, two of whom were the College's internal and external auditors. Assurance was provided that information from the College would be treated in confidence. Duplication with the work of the Internal Audit Service would be identified and adjusted in agreement with the Audit Committee.

The Executive Director sought the Board's approval to invite tenders for a funding audit, the cost of which was likely to be in the region of £20k.

David Steele proposed approval of the proposal to re-introduce a funding audit and to invite tenders for the work. Seconded by Derek Stringer. Agreed unanimously.

Kate Barnett and Di Atkinson left the meeting at 12.40 pm.

10 Board Membership for College Companies

Members of the Corporation were invited to approve the appointment of Roger Almond to the Boards of CWA Enterprises Limited and CWA Developments Limited and to consider the process of delegation to the Finance and General Purposes Committee of this role.

Members agreed that appointments to the Board of the College Companies should remain with the Corporation.

Roger Ward proposed the appointment of Roger Almond to the Board of CWA Enterprises Limited and CWA Developments Limited. Seconded by Peter Dixon. Agreed.

11 HEFCE Higher Education Strategy for FE Colleges

The Executive Director, Curriculum and Learning, presented the draft Higher Education Strategy 2009-2012. She explained that there was now a requirement for any college funded by HEFCE to submit a three year strategy to that body in January 2010. The strategy was subject to an annual review.

The following points were highlighted:

- Recruitment for 2009/10 was capped
- Recruitment had commenced for 2010/11
- HE provision was being planned in response to local need
- The current portfolio was being reviewed
- An amendment was to be made to the approved status of Outdoor Education (Page 3 referred)
- There were tensions around the development of the Fenland campus
- Provision at Milton (Cambridgeshire) had been developed – recruitment of additional FTEs had been permitted outside the cap

- Changes were focused to meet local and economic development plans with links to the employer engagement strategy
- A revised bid under the New University Challenge had been made. Feedback indicated the College was ranked highly against the criteria for selection
- Increased emphasis was to be placed on work to increase the proportion of Level 3 students progressing into HE
- Review of provision was continuing with student focus groups and with Heads of Faculty

Derek Stringer proposed approval of the Higher Education Strategy 2009-2012. Seconded by Andrew Cave. Agreed.

12 2008/09 Self Assessment Report (SAR) and Financial Management and Control Evaluation (FMCE)

(i) SAR

The Principal explained the process the College was to follow with regard to the SAR document. Additional work was needed before the document was finalised, including further moderation taking place.

Performance Review and Quality Committee had considered some of the detail from a number of extracts presented at their last meeting on 2 December 2009 and had recommended the document for Corporation approval.

Paul Cotton proposed, seconded by Kate Atherton, that the Senior Management Team be remitted to –

- **complete the document;**
- **upload it to the LSC**
- **provide a detailed review to the next Performance Review and Quality Committee; and**
- **provide an executive summary and final grade profile to the next meeting of Corporation.**

(ii) FMCE

The Principal advised that the FMCE had been considered by Audit Committee at their meeting of 4 November 2009 and had recommended the document for Corporation approval. He drew attention to the change in grading from the previous year's "outstanding" to "good" for 2008-09. The reason for this was the downgrading of all subject areas except two – Financial Planning and Strategic Oversight.

Derek Stringer proposed, seconded by Andrew Cave, that the FMCE be approved. Agreed.

13 Principal's Strategy Report

The Principal presented his Strategy Report for information and highlighted key points, noted as follows:

(i) Machinery of Government Changes

- 16-19 funding – the statement of priorities was awaited, expected December
- Communications with the Local Authority were strong
- The Cambridgeshire and Norfolk 14-19 Strategy Groups would establish priorities

- Adult and employer responsive funding – SFA would have no planning responsibility. It would commission against priorities identified by the Department for Business Innovation and Skills (DBIS)
- The Employment and Skills Board, chaired by Fiona McDiarmid, would advise BIS on regional skills needs
- Single account arrangements would operate and allocations become mechanistic
- There was a 13.5% gap in adult funding for 2010/11
- There were hard messages around efficiency savings
- The top 15% of providers, as rated under Framework for Excellence (F4E) would be awarded “earned autonomy”. Flexibility for Colleges not in this group was limited to virement within each of their Employer Responsive (ER) and Adult Learner Responsive budgets (ALR).

Noted.

(ii) Skills Investment Strategy

- The strategy identified priorities and further redistribution of money from the adult learner responsive budget
- Heavy efficiency gains on ALR and ER funding lines would be required

Noted.

(iii) Accommodation Strategy

- A Capital Summit meeting was held with external partners on 13 November 2009
- There was an understanding of the position of the College and the impact of the decisions the College will have to make.
- Paul Medd of FDC was to take proposals to Cabinet re investment in the College’s estate
- Fiona McDiarmid was leading for Norfolk
- A further meeting was to be held in February 2010
- An all-sites condition survey was expected to be available in February
- Invitations to tender to drive the estates strategy were being considered
- Property Steering group were to have a major role in shaping the strategy
- A revised strategic plan would be brought to the Board through the next series of meetings with a deadline to complete the process by July 2010.

Governors were given assurances that the accommodation strategy work would be tendered and advised re the current status of land options. Options on the land in March remained in place to December 2010; Heads of Terms for the NORA site remained in place but a major piece of land had been released to the Academy. Specific proposals for possible disposal of land would be brought to the next Board meeting.

Action: DP

The current position was noted.

(iv) Investors in People (IIP)

- IIP re-assessment was scheduled to take place early in the New Year
- Details would be reported to Employment Policy Committee in the first instance

Noted.

14 Clerk's items:

(i) Revised Terms of Reference for the Property Steering Group

The Clerk advised that the Property Steering Group had considered a revised remit for the Group in order to steer the proposed future estates strategy for the College.

Sharon Cambridge proposed, seconded by Paul Cotton -

- (a) The retention of the Property Steering Group**
- (b) That revised Terms of Reference, proposed membership and remit of the Group be brought to the next Corporation meeting**
- (c) That, in the interim, the Group continue to meet and work with the Principal, Executive Director of Finance and Information and Director of Resources to progress current estates/accommodation matters.**

Agreed.

(ii) Review of Governance and Strategic Leadership

The Clerk referred governors to the AoC/LSIS consultation Summary Report and in particular the 15 recommendations for FE Colleges which addressed how governance and strategic leadership in FE might be enhanced. The recommendations were to be explored and developed further through consultation with stakeholders, partners and regional and local FE networks.

Further developments would be reported to the Board as responses emerged.

Noted.

15 Any Other Business

- (i) RA noted the importance of maintaining strong links with Fenland District Council.
- (ii) RW noted the LSIS governance model embraced the Carver principles.

16 Date and venue for next scheduled Meeting

Wednesday, 10 March 2010, Milton Campus.

The meeting closed at 1.35 pm