

The Corporation Board of Accrington and Rossendale College

Minutes of a Meeting of: The Corporation Board

Date: Tuesday 23rd September 2014

Location: Conference Room, Accrington & Rossendale College



Confirmed

Members Present:

Mr B Stephenson	Chair and Independent Member
Mr S Ireland	Vice Chair and Independent Member
Mrs S Taylor	Principal
Dr M Lee	Independent Member
Mrs R Andrews	Independent Member
Mr M Aslam	Independent Member
Mrs S Bridgeman	Independent Member
Mr J Cassell	Independent Member
Dr A M Coyne	Independent Member
Miss L Gaskell	Independent Member
Mr R Grigorjevs	Independent Member
Mr Z Shah	Independent Member
Mrs L Spencer	Independent Member
Miss T Landon	Staff Member
Miss C Robinson	Staff Member

In Attendance:

Mrs S Collinge	Vice Principal (Business & Innovation)
Miss W Higgin	Vice Principal (Curriculum and Quality)
Mr A Armiger	Clerk to the Corporation

Apologies were received from:

Mr S Cox	Independent Member
Professor I Smith	Independent Member
Mrs J Smith	Independent Member
Mrs Tattersall	Minuting Clerk

	Date:
Draft Minutes Prepared by: AA	29-09-14
Draft Minutes approved by the Chair:	27-11-14
Minutes Approved by the Board:	18-12-14

.....*Brian Stephenson*.....
Chair

Prior to the meeting Members present received a College Safeguarding development update from the College Designated Safeguarding Lead, Mrs Lorraine Higham and the Back-up Designated Safeguarding Lead, Mrs Lisa Hartley. During the session Mrs Hartley pointed out that it was considered good practice for Boards to appoint a Nominated Member for Safeguarding. It was agreed that this matter would be brought to the next meeting of the Curriculum and Quality Standards Committee for consideration

This session lasted for 1 ½ hours and was well received by members. Following the session the Chair thanked Mrs Higham and Mrs Hartley for attending and said on behalf of Board that he felt assured that the college has the policies and procedures in place to ensure that college learners are assisted, within college and in conjunction with external agencies, to resolve the numerous and complex issues that many of our students have. Mr Stephenson reminded members that the Curriculum and Quality Standards Committee would continue to monitor the work of the college in this area at its termly meetings.

PART ONE

The Chair welcomed everyone to the meeting.

CB

14/15-1.1 Apologies for Absence
Apologies for absence were received from Professor I Smith, Mr Cox and Mrs J Smith

14/15-1.2 Declarations of Interest
Mr Stephenson advised members that he would need to declare an interest in item 1.12 and 1.13 due to his employment with HSBC. Members noted the declaration.

14/15-1.3 Minutes of the Meeting held on 8th July 2014
The Minutes from the meeting held on 8th July 2014 were approved as a true and accurate record of the meeting.

Resolved

14/15-1.3 To confirm the minutes of the meeting held on 8th July 2014

14/15-1.4 Matters arising not otherwise on agenda
The Clerk to the Corporation advised that there were two actions from the previous Corporation Board meeting:

13/14-5.5 - i) to note the minutes including ensuring the update on the Apprenticeship audit is presented to Mrs Andrews as soon as it becomes available.

The clerk advised members that the draft Apprenticeship audit report had been sent to both Mrs Andrews and Mr Stephenson when it had been received on 15th September 2014.

Mrs Andrews said that she was able to inform members that the draft report had now given a Substantial Assurance. Management responses had not yet been given and the final audit report would be reviewed and scrutinised at the next Audit Committee meeting in November.

13/14-5.8 - iii) to approve the College entering into a Legal Charge with Sport England, in relation to the Sports Hall and that a member of the College Principalship may sign any required documentation on behalf of the College and Corporation

Mr Armiger informed members that the relevant documents had arrived in College and that Mrs Taylor signed had signed them, as approved by the Board and that they had been returned to Sport England on 3rd September 2014.

Mr Armiger advised that there were no other actions required outstanding

Unconfirmed Minutes, Chair updates and Recommendations for Board Approval from the following committee

14/15-1.5 The Search and Governance Committee held on 8th September 2014

Mr Stephenson, as Chair of the Committee, informed Board Members that the main business of the meeting had been to deal with re-appointments of current members. He explained that members had looked at the contribution that the members concerned had made to the Board and its committees and other work with the college and were pleased to be able to make recommendations for their re-appointment. Members

Resolved

- 14/15-1.5 A** i) that Mr Steve Ireland be re-appointed as an Independent Member of the Corporation Board for a second term of 4 years until 27 September 2018; and
ii) that Mr Rob Grigorjevs be re-appointed as an Independent Member of the Corporation Board for a second term of 4 years until 27 September 2018

Mr Stephenson went on to explain that Professor Smith, whose current term of office also expired on 27 September 2014, had decided that he does not wish to continue in his role with the Board. Members expressed their disappointment and asked that a letter of thanks be sent to Professor Smith. Mr Stephenson said that he would do this.

Moving on Mr Stephenson said that the Committee after a similar discussion regarding attendance and commitment to the work of the Board wished to recommend that Mrs Bridgeman be appointed for another 3 years following her 1 year probationary term of office. Members

Resolved

- 14/15-1.5 B** that Mrs Bridgeman be re-appointed as an Independent Member of the Corporation Board for a term of 3 years until 23 September 2017

Finally for this item Mr Stephenson noted that since Mr Gill had died the Remuneration Committee had been one member short. Members had been asked in the past if they had wished to be involved with the work of this committee. Mrs Bridgeman had recently been approached to see if she would, due to her HR experience, be interested and she had indicated that she would. The committee was therefore recommending that she became a member of the remuneration Committee for a 2 year term of office. Board members

Resolved

14/15-1.5 C that Mrs Bridgeman be appointed to the Remuneration Committee for a two year term of office until 23 September 2016

Items for Information, Discussion, Consideration and Board Approval

14/15-1.6 Strategic Update including Lanway Partnership Proposal

The Principal presented her strategic update and updated members on sector developments including the AoC 2015 Manifesto for Colleges, National Consultations such as Future Funding of traineeships and 24+ student Loans and Success Measurements for adult FE learners. Mrs Taylor went on to update members on Ofsted's consultation on proposals for changes to the Inspection Framework in 2015 and also highlighted to members two key documents; AoC - College Governance and BIS - Breaking the Mould: creating higher education fit for the future. The Clerk reminded members that both of these documents were available in the Governance section of the college's SharePoint Resource.

Mrs Taylor moved on to updates on Lancashire Developments and advised members that the Lancashire Colleges group had commissioned a research project to quantify the impact of each of the 13 Colleges and their collective impact which would be directed towards the LEP Board to enable a starting point for skills based economic development strategy for Lancashire. The final report will be available in early November. Members were advised that the Lancashire Skills hub now had a business plan in place for up to July 2015 and within it was recognised the role of Lancashire colleges in the county's economic development. Mrs Taylor commented that the College would need to align itself with the plan and that this would inform college curriculum planning moving forward.

Mrs Taylor then updated members on College developments, beginning with recruitment of learners. Members were informed that from early indications the college's 16 -18 cohort was showing a decline. A number of local post 16 providers have opened new facilities and programmes set against falling numbers of 16 year olds leaving school. However Mrs Taylor was able to report that areas such as Sport, Child Care, Foundations and Motor Vehicle Engineering had all exceeded their targets. It was noted that a robust in-year recruitment plan was in place whilst maximising the college's adult and HE offers. Mrs Taylor stated that the college's management will continue to search for ways to increase the college market share of learners. Mr Stephenson said that teams who have reached targets were to be commended.

Mrs Taylor moved on to discuss with members the Performance against Key Performance Indicators (KPI) document. It was noted by members that it was a dynamic document and would be used in all relevant committee meetings to monitor the approved KPIs/ Dr Coyne asked if the Red-Amber-Green ratings were subjective. Miss Higgin replied that there were complex issues involved in almost all of the KPIs and often grading came after triangulation exercises and regard to national average/ benchmarking information. Members were reminded that live data for several of the KPIs was available via the members' resource section. Members went on to discuss several of the existing targets and noted that further target setting, approval and monitoring of KPIs would take place throughout the year at committee meeting level and that the updated document would form part of Mrs Taylor's termly Strategic Update.

Members then went on to consider a possible Joint Venture with Lanway CBS Ltd and Netwise SA Computer Services to work collaboratively on a project to develop a range of

software platforms and applications which would benefit college learners, replace current college systems with a more effective platform and create highly marketable products for selling on to other colleges.

Mrs Taylor set out the resource requirement from the college which would be needed for the venture. The college had submitted a bid to Small Business Research Initiative (SBRI) Funding which would, if successful would contribute toward the feasibility study for the proposal.

Mr Grigorjevs asked how the college resources would be involved. Mrs Taylor replied that the college would mostly be contributing human resources to the project. Members noted the risks involved. Mr Stephenson asked if the resources involved would be justifiable. Mrs Collinge advised that the rewards possible from the venture would justify the use of college resources and that the college would share in the profits of the joint venture.

Mr Grigorjevs asked if the possible grant from SBRI would need to be refunded if not used. Mrs Collinge replied that yes it would.

Ms Gaskell asked if there had been a potential gap in the market had been identified that the venture would working towards. Mrs Taylor confirmed that a gap had been identified and that the college would provide user expertise to help develop the end product. Dr Lee asked if Lanway were a large FE Sector supplier. Both Mrs Collinge and Mr Stephenson replied that they were.

Mrs Taylor assured members that legal advice would be taken before a final joint venture contract was entered into. Mr Stephenson asked if any of the members present would be interested in the initial scrutinising and monitoring the possible joint venture project and asked that they were they should contact the Clerk if they were. (Mrs Bridgeman has since contacted the Clerk to advise of her interest).

Mrs Taylor asked that members, subject to a successful feasibility study, development of a viable business plan and positive legal advice, approve a Joint Venture undertaking between Lanway, Netwise and Accrington and Rossendale College. The project would be monitored and scrutinised termly at Resource Committee meetings.

Following final discussions between members it was

Resolved

14/15-1.6

i) to note the report: and

ii) that the Corporation Board approved subject to; a successful feasibility study, development of a viable business plan, positive legal advice and final scrutiny of the project by Mr Stephenson, Mr Ireland, Mrs Taylor and Mrs Bridgeman with Mrs Collinge, a Joint Venture undertaking between Accrington and Rossendale College, Lanway CBS Ltd and Netwise SA Computer Services (Poland)

14/15-1.7

College Strategic Aims Update: Annual Aims and Objectives for 2014/15

Mrs Taylor presented her report on the College's updated Aims and Objectives for 2014/15 asking members to note the changes made i.e. there were now five strategic aims rather than seven and that the strategic objectives had now been finalised for 2014/15. Mrs Taylor advised that the new strategic objectives would also inform the College's Risk Management Action Plan, which was monitored by the Audit Committee.

Mrs Taylor also commented that each strategic objective would have its own operational action plan which would be owned by Directors and monitored by the college's Senior Leadership team as a whole.

Mr Stephenson asked if members thought that the aims and objectives were ambitious enough. Mr Grigorjevs said, and other members agreed, that they were, but asked if they could be longer term. Mrs Taylor replied that this would be difficult due the constantly changing educational, political, economic, national and local landscapes. Mr Stephenson agreed and said that the document allowed for annual adjustment rather than annual change.

The members then discussed minor changes to the document which were agreed by Mrs Taylor, Mrs Collinge and Miss Higgin.

Mrs Taylor informed members that she would report on final outcomes against the strategic aims and objectives for 2013/15 at the December 2014 Board meeting

After final discussions members

Resolved

- 14/15-1.7** **i) to note Mrs Taylors report; and
ii) to approve the College Strategic Aims and Objectives for 2014/15**

14/15-1.8 **College Key Performance Indicators**

This item was included within the Principals Strategic Update at Item 1.6.

14/15-1.9 **College 14-16 Direct Entry Status**

The Principal gave a verbal update to members on the situation regarding the College's 14-16 Direct Entry Status. Mrs Taylor reminded members that the college had sought and been granted Direct Entry Status by the DfE to accommodate learners transferring from the Hyndburn Studio School to the Studio@Accross. Mrs Taylor informed members that the Studio@Accross had now closed and all the students had progressed. The college has recently been receiving requests from a few parents to enrol their children at the college as it is still on the DfE's list of 14-16 Direct Entry providers. Mrs Taylor asked that members approve that the college be removed from the DfE list, as it was not the College's intention to recruit 14-16 students directly. Mrs Taylor reminded members the College does work with its local school partners to provide vocational learning opportunities for yr 10 and 11 learners, but did not wish to pursue having its own cohort of yr 10 and 11 learners in the foreseeable future.

Following discussion members

Resolved

- 14/15-1.9** **that the DfE be asked to remove Accrington and Rossendale College from its list of 14-16 Direct Entry providers.**

14/15-1.10 **Current Performance against Contracts and Targets**

The Vice Principal (Business and Innovation) presented her report. Mrs Collinge noted that her report showed the likely outcome for the 2013/14 funding lines, but that there may be small changes before the final data return is made in November.

Mrs Collinge highlighted areas that would fall below target such as the college 16-18 Employer Responsive (Apprenticeship) and Adult Apprenticeship provision. Mrs Collinge noted that the 24+ level 3 Adult learner Loans will not meet the value allocated to the college for 2013/14 of £975K.

Mrs Collinge moved on to advise that the 16-18 Learner Responsive funding would exceed the funding target due to the banding of student learners, that the Adult Single Budget would also exceed its target and that the College's Higher Education funding targets had been met.

Mrs Collinge then informed members that the targets for 2014/15 were again challenging but that the college would be doing all that it could to ensure that all targets are met as 2014/15 progresses.

Following discussion of the report and its implications for the College members

Resolved

14/15-1.10 to note the report

14/15-1.11

Current Financial

The Vice Principal (Business and Innovation) presented her report on the draft Management Accounts as at 31st July 2014. Reminding members that the Board had, in July 2013, approved a balanced budget for 2013/14, Mrs Collinge went on to present the key findings from the draft accounts. These included:

- The projected deficit is reported as £65k before the FRS17 charge is applied
- The FRS17 Charge has been confirmed as £222k
- The final funding returns (as discussed in the previous item) have yet to be finalised
- The Financial Statements, based on the figures presented, are about to be audited and this may give rise to adjustments

Mrs Collinge noted the draft financial statements would be presented to both the Audit Committee and the Resources Committee for scrutiny at their meetings in November before the final accounts are presented to the Board at its meeting on 18th December. Members

Resolved

14/15-1.11 to note the report

14/15-1.12

Property Strategy Update

The Vice Principal (Business and Innovation) began her report by advising members that the Sports Hall project was currently 20 days behind schedule, but was expected to be ready for use by students after the October half term break. Mrs Collinge confirmed that the project was still within budget and went on to say that an opening event would be planned for mid-November to which members would be invited.

Mrs Collinge moved on to the Visitor Economy Centre (VEC) Project. It was noted that good progress was being made on the design and initial construction works for the new building. Planning permission had been received in August 2014. The SFA has approved John Turner Construction Ltd (JTCL) as the main contractor and a contract needs to be

signed with them before the end of September to ensure the terms of the SFA grant are upheld.

Mrs Collinge advised members that the project's cost are expected to remain at £5.35m of which the college will contribute £1.34m from its reserves. Additional grants are being sought alongside the successful bid to the Savoy Trust, which secured £47k towards the cost of kitchen equipment.

Mrs Collinge reminded members that they had approved the college seeking a bank loan facility of up to £1.5m in order to protect the financial stability of the college and that this would need to be agreed prior to signing contracts with JTCL. After discussions with several banks Mrs Collinge reported that, to date, a quote (as outlined in her report) had been received from Lloyds Bank which would be appropriate to the requirements of the college.

The Chair informed members that he, on behalf of the Board, and Mrs Collinge had met on Friday 19th September with representatives from Lloyds to discuss the proposal. Mr Stephenson noted that he had informed the representatives of his employment with HSBC at the start of the meeting. He went to say that the discussions had been positive and that the loan terms which are expected to be confirmed in the next week should be within the affordability range required within our budgets; this would therefore allow the project to progress. Members noted the work Mrs Collinge had put in to secure an offer from Lloyds and noted Mr Stephenson's contribution on behalf of the Board at the meeting.

Discussions followed between members regarding each of the Covenants within the loan proposal and after further input from the Vice Principal (Business and Innovation) all agreed that they were reasonable and with careful financial decision making by the college these should be capable of being met in future years.

Mrs Collinge advised that she would be meeting with Lloyds to discuss the uncertainty of interest rates on the proposed loan (as detailed in her report), this is in line with the College's risk management plans.

Members discussed the proposed loan further highlighting both beneficial aspects and those areas that may give rise to some concern. Mr Stephenson summarised the lengthy discussions and given the tight timelines plus meeting schedules asked members how they would wish to proceed with any final considerations regarding the terms of the loan facility. The Board's agreement to proceed to request a loan had been approved at a prior meeting.

Members discussed this and decided that they wished Mr Stephenson as Chair, Mr Ireland as Vice Chair and Mrs Taylor as a member of the Board (in addition to being the Chief Executive of the College) together with Mrs Collinge, as a College Senior Post Holder to make any final deliberations regarding the final terms and conditions of a loan and to then subsequently enter into the loan agreement on behalf of the Corporation Board. In doing so this would facilitate the VEC project's progress and continue to be mindful of the Board's responsibility to maintain the financial stability of the College.

The Clerk reminded all members present of their individual and collective responsibilities for the financial solvency of the college and that they would need to consider this in making their decision.

Mrs Collinge and Mr Stephenson then proceeded to remind members that, very shortly after the loan facility is agreed, there would be a requirement to complete the

formalities regarding the project build contract. This was essential to ensure that the project was able to progress in a timely manner and that the conditions of the grant funding could be met and full benefit obtained. The contractor proposed (John Turner Construction Ltd) had already been approved and therefore it will be the terms of the contract only that will require review and approval.

Members again discussed the best way to facilitate this whilst ensuring that their responsibilities continue to be discharged appropriately. Considering the experience within the Board, members agreed that the finalisation of this contract should be agreed by the above group with the addition of Ms Gaskell.

Following final discussion members

Resolved

- 14/15 -1.12**
- i) to note the report and the issues considered within it**
 - ii) that Mr Stephenson, Mr Ireland, Mrs Taylor with Mrs Collinge as a Senior Post Holder be authorised on behalf of the Corporation Board to enter into, after careful final deliberation, a loan agreement for up to £1.5m to facilitate the College's Visitor Economy Centre project.**
 - iii) that Mr Stephenson, Mr Ireland, Mrs Taylor and Ms Gaskell with Mrs Collinge be authorised on behalf of the Corporation Board to enter into a construction contract , following recommendation by the project manager and final scrutiny with John Turner Construction Ltd**
 - iii) that the Clerk will inform all members when the loan agreement and construction contract have been entered into.**

14/15-1.13 **Amended Signatory List for College Bank Accounts**

The Vice Principal (Business and Innovation) asked that the updated College list of bank account signatories be approved by the Board. Mrs Collinge advised that the list had been updated to take into account the changes in the College's Senior Leadership Team which had taken place during the past year. Members

Resolved

- 14/15-1.13**
- i) that a bank account or accounts be continued with HSBC Bank plc (the 'Bank') and the Bank is authorised to:**
 - a) pay all cheques and act on other instructions for payment signed on behalf of the College by Susan Collinge, Susan Taylor, Claire Jarvis, Wendy Higgin, Joanne Crowther and Lorraine Higham – any two listed - (the 'Signatory'), whether any account of the College is in debit or credit;**
 - b) deliver any item held on behalf of the College by the Bank in safekeeping against the written receipt or instructions of the signatory; and**
 - c) accept the signatory as fully empowered to act on behalf of the College in any other transaction with the Bank**
 - ii) that any debt incurred to the Bank shall, in the absence of written agreement with the bank to the contrary, be payable on demand**
 - iii) that the Vice Principal (Business and Innovation) is authorised to supply the Bank as and when necessary with lists of persons who are authorised to sign, give receipts and act on behalf of the college, and that the Bank may rely on such lists.**
 - iv) that these resolutions be communicated to the Bank and remain in force until changed by a resolution passed by the governing body of**

the College and a copy, certified by the Chairman and one other member of the governing body of the College, is received by the bank.

Governance

14/15-1.14 Declaration of any Confidential Issues

Following discussion by members the paper for item 14/15-1.12 was declared as confidential as it contained information that was of a business sensitive nature and would be held in the confidential file for a minimum of one year.

14/15-1.15 Date and Times of Next Meeting

Thursday, 18 December 2014.

The Chair thanked all members for attending the meeting.

The meeting closed at 8.15pm