

HOPWOOD HALL COLLEGE

Minutes of a meeting of the **Corporation** held on 15 October 2009 at 1700 hrs.

Present	Sultan Ali	Robert Clegg (Chair)	Phil Chadwick
	James Gallagher	Alun Morgan	Clive Reid
	Derek O'Toole (Principal)	Caroline Taylor	Clint Street
	Phil Chadwick		
In Attendance	Ralph Devereux (Clerk)	Janet Meenaghan (VP (Q&S))	OJ Rahim (Exec Dir Skills)
	John Spindler (Interim Exec Dir FP&HR)		
Apologies	Linda Feerick	Paul Harness	Ann Holt

1/09 ELIGIBILITY, QUORUM AND DECLARATION OF INTERESTS

The apologies were accepted. No notice had been received of any member becoming ineligible to hold office, the meeting was quorate and no interests were declared.

2/09 ELECTION OF CHAIRMAN

- a. Clive Reid proposed and Clint Street seconded Robert Clegg as Chairman for 2009/10, there were no further recommendations; carried unanimously.
- b. The Chairman proposed and Clint Street seconded Clive Reid as Vice-Chairman for 2009/10, there were no further recommendations; carried unanimously.

Robert Clegg and Clive Reid were appointed as Chairman and Vice-Chairman respectively.

3/09 MINUTES OF THE LAST MEETING AND NOTIFICATION OF URGENT BUSINESS

- a. The Minutes of the meeting held on the 16 July 2009 were confirmed and signed.
- b. It was agreed to consider appointment of an ED (FP&HR) as urgent business.

4/09 MATTERS ARISING FROM THE MINUTES

There were no matters arising.

5/09 MINUTES OF COMMITTEE MEETINGS (UNCONFIRMED)

- a. ED Committee. (28 August 2009). The minutes were received.
- b. Search Committee. (17 September 2009). The following was agreed:
 - (i) re 5/09a(i) the committee had recommended that Alun Morgan is re-appointed for 2 year wef today and that was approved; and
 - (ii) re 5/09a(ii) Mohammed Naeem and Terry Piggott had both resigned because of changed personal circumstances that together with their replacement plan was noted, advertisements had been placed in the local press.

The minutes were received.

- c. E&F Committee. (17 September 2009). The minutes were received.
- d. Audit Committee. (14 October 2009). The following was agreed:

- (i) re 6/09 Annual Internal Audit Report 2008.09. The report had been recommended and was approved; and
- (ii) re 7/09 Internal Audit Annual Plan 2009/10. The plan had been recommended and was approved.

The minutes were received.

- a. Alun Morgan was reappointed for a 2 year term of office.**
- b. Resignations were accepted.**
- c. The Annual Internal Audit Report 2008/09 and the Internal Audit Plan 2009/10 were approved.**

6/09 PRINCIPALS REPORT

- a. Public Spending. It had been made clear in the media that future drastic reductions in public spending were expected whoever formed the next government. A pre-budget report would be made in November and it may well be that FE funding may suffer in favour of other frontline services. In any event 2010.11 must be expected to squeeze FE budgets with expected higher numbers of 16-18 places and probable 19+ reductions, information will be received later in the year; possible testing of the lawfulness of these may be a possibility. These issues would be borne in mind when planning for the future and contingency budgets would be drawn up to a range of reduced income scenarios.
- b. Capital Developments. There had now been announcements of approval of 14 capital projects at an expected cost of £525m a saving of 10% on the original estimates; the 14th had not been on the original list but had been added later because of an earlier overlooked exchange of mails. The FOI request to the LLSC regarding selection gradings was still pending although it was likely that they would delay release of this information for as long as possible. The LSC now has a total of £200m to spend on capital projects between now and 2014. A gloomy ("It's all about affordability") report into the future of FE Capital funding in the wake of the disastrous and costly debacle has been completed. Moves to establish an "FE Bank" in conjunction with Barclays and individual contributions of 25% of the estimated £4b funding were underway. Locally it appeared that the £3.8m originally intended for the Stakehill decant remained available if criteria for its use could be seen to relate to that plan. Provisional estimates indicate that a custom build technology block could be established for a cost of c£5.6m; the additional funding being available from other sources such as Prudential borrowing. However the likely realistic upper limit of that or any other scheme was £15m. The EDC would consider the options in advance of the next corporation meeting and bring recommendations. It was also noted that despite the corporation's accession to the LSC Chairman and Chief Executives entreaties over release of the land to enable the 6th Form College to proceed, there had been no recognition of their failure to carry through their assurances given at that meeting and that they should be invited to attend the December corporation meeting to discuss the issue and the way forward.
- c. MOG. Guidance for Local Authorities over their commissioning responsibilities (National Commissioning Framework (NCF)) was planned after the passing of the Apprenticeships Skills Children and Learners Bill in November for introduction of the scheme in 2010/11. There were several strong concerns over the issue and these were discussed at length. It was also noted that recent meetings with the future commissioning agency – RMBC - had revealed a surprising lack of understanding of the function and scope of the college and the strong need for level 1 provision. It was agreed that the Council Leaders and Executive should be invited to visit and undertake an awareness raising session.
 - a. The information was received.**
 - b. The EDC would make recommendations regarding future accommodation strategy.**
 - c. The LSC would be invited to the December meeting.**
 - d. The RMBC would be invited to an awareness raising session.**

7/09 EXECUTIVE REPORT (VP(C&C))

- a. An update was given on progress towards the Curriculum and Quality related Balanced Scorecard of Headline Performance Indicators (HPI). An evaluation of the current situation and determination of required actions had been completed and a distilled table (with full details behind in Annex A) clearly

detailed this and was indicated using RAG identifiers. The Balance Scorecard was then considered and each HPI individually explained and discussed in detail.

- b. Additionally, work continued with local schools on 14-16 provision, c250 students are expected this year; work with Rochdale Association of Secondary Heads and the RMBC 14-19 Consortium will build on the future of this programme. Headways which provides for the NEET group had under-recruited for 2009.10 and an opportunity for a change of management may arise with the next 18 months or so and it may also be possible to take the borough-wide lead in Foundation learning. These issues had led to a reappraisal of the current curriculum offer and substitute Entry/Level 1 for the unpopular diplomas; this would be completed after recruitment of the replacement 14/19 manager. The HE Strategy was required at HEFCE in January 2010 and with strong recruitment for 2009.10 it was hoped to reverse the poor performance over the immediate past and c£610k was budgeted for and focus on the popular Early Years activity could yield an additional £100k. Also the highest return was from engineering and an increase would be sought in allocation of places. Clearly these changes would benefit the budget and these changes in overall HE direction would be considered by the executive.
- c. A full curriculum map was planned to facilitate consideration of local progression routes and curriculum development.
- d. Full details of progress with the important areas of safeguarding and necessary changes were discussed; 59% (360) of staff and governors had been trained to date and all will be complete by the end of this month; the number of DSO would be increased by 7 and half termly bulletins would be initiated this month. There had currently been 13 incidents compared with none last year for the same period, reflecting the raised awareness levels. On 12 October a new vetting agency, the Independent Safeguarding Authority will be introduced and the current 3 barred listings will be condensed into 2: the Children's List and the Vulnerable Adults List. The full changes would be incrementally introduced over the next 5 years.

8/09 EXECUTIVE REPORT (ED (Skills))

- a. TTG. There had been continuing achievement in driving the employer engagement strategy forward and Orchard Training Solutions (OTS) was now well established, TTG target performance over 07-09 was considered and discussed. The relatively low number of starts for 09/10 was prompted by the overspend in LSC funding for the programme, which had introduced difficulties. The LSC had issued normal contracts for 2009/10 but had limited the amount of overspending. This has meant that those students continuing from the previous year would account for the majority of expenditure between August and March. Furthermore, the remaining income was required to be expended between April and July 2010. The data was fully considered and discussed and performance was welcomed. The proportion of internal:external providers was planned to increase to 51:49% during 2008.09, which would allow internal approval of some qualifications and give far greater control of delivery although an internal verification process would be required. Changes required by an adverse internal audit report had now been resolved. More focus had been given to provision of local delivery with c700 L2/3 and SFL qualifications in Rochdale and East Manchester.
- b. ER Contract. Management of the ER Contract had changed considerably, the differences were fully detailed in the paper and were explained and discussed in depth.
- c. WBL. WBL had remained relatively static during 2008.09; the focus had been on increasing TTG and the contract value. Starts in 08/09 were 76 with 50 on Level 1, however with the transfer from RMBC now effective enrolments for 09/10 were higher and the expected budget was £941k. There was however strong competition from other providers locally and a more proactive approach to the market place had been instituted.
- d. Skills Ladder. The Skills Ladder project is c£553k during 01.09-03.11. and the project was fully considered, discussed and noted.
- e. Learn Local. Transfer of Learn Local was now complete and early signs were extremely encouraging with newcomers and returners holding up well. A steering group of interested stakeholders had been established to consider applications for funding. Need for additional delivery venues had prompted acquisition of additional centres and there were now 32.

- f. R2R. The R2R initiative required students to leave the training with a job found through OTR. A proactive approach had been taken with positive results, and advances were discussed. Details of the contracts were considered and discussed and it was unanimously agreed that sound progress had been made and had provided a valuable contribution to total income.
- g. CRM. A CRM system had now been commissioned, for which an officer would be recruited, which it was hoped would contribute to the success of the application for the TQS.

9/09 EXECUTIVE REPORT (Interim ED (FP&HR))

- a. The Financial Report, effective to 31 July, reflected the year-end position and would form the basis for the Annual Financial Statements; this was then scrutinized in detail page by page. The present position, an underlying operating loss of c-£95k, was likely become more acute after technical adjustments for exceptional events, namely:
 - (i) writing off costs associated with the abortive accommodation strategy;
 - (ii) reversal of the accelerated depreciation of assets previously planned for demolition;
 - (iii) the considerable pension costs for ill health retirement of 2 colleagues; this was a complex situation, which was, as recommended by the E&F Committee, considered by the Remuneration Committee who had recommended settlement on the terms proposed wef today (approved by the Corporation); and
 - (iv) an unfavourable annual valuation of the pension fund (FRS 17).

With these elements included, the deficit was likely to be c-£800k although that could vary either way after the audit and the outcome of influencing issues, including:

- (i) anomalies in the TTG contract (considered at 8/09a), some students planned for completion in 2009/10 had finished in year 2008/09 thus exceeding the maximum contract value in that year. Negotiations continued with the LSC on several options to allow payment of the £320k in the current year to avoid a consequent reduction in capacity during 2009/10;
- (ii) tuition fee income has been adverse by c-£762 (including a debt from Redwood School for £50k);
- (iii) franchise expenditure has been c£1.4m higher than budget because of increased costs prompted by, and associated with, Orchard Solutions considerable success in exceeding budget by c£2.5m;
- (iv) other operating costs had been c£500k higher than budget through unplanned factors.

Thus the deficit was still difficult to predict however all factors were fully discussed. Key PIs were then considered and the record turnover of £24.2m was noted; payroll costs at 63% of turnover were below the upper target of 68% 2% had been budgeted for but the E&F Committee had recommended acceptance of the AoC agreed 1.5% from 1 August (and this was noted); the FFE financial of "Satisfactory" was noted, the CR was 1.6:1 against a target of 1.9:1. The situation was fully considered and discussed and the AFS would be brought to the next meeting for consideration.

e. The information was received.

f. Early retirement costs were approved wef today.

g. General salary increases of 1.5% from 1 August were noted and endorsed.

8/09 CORPORATION HOUSEKEEPING

- a. Corporation Composition. Composition of the Corporation was currently 17 members (12 general, 2 elected staff, 2 elected students and the Principal) and this was again approved.
- b. Corporation Documents. Changes to the Corporation Documents approved were fully detailed in the paper and in the documents themselves the documents for the year 2009/10 were approved.

- c. Committees. Committee membership was confirmed as detailed below, Chairs of the Committees (in bold) have been identified as willing to accept the positions and will need election at individual committee meeting.

Audit	Estates Development	E&F	Rem'n	Search	Standards
Clive Reid	Robert Clegg	Robert Clegg	Caroline Taylor	Caroline Taylor	Robert Clegg
Paul Harness	Alun Morgan	Principal	Clive Reid	Sultan Ali	Linda Feerick
Alun Morgan	James Gallagher	James Gallagher	New member	Ann Holt	Phil Chadwick
Clint Street	Principal	Caroline Taylor	Robert Clegg	Robert Clegg	New Member
		Linda Feerick		Principal	Principal
					Ann Holt
					Student

- a. **Corporation Composition was confirmed as 17.**
b. **Corporation documents were approved.**
c. **Committee membership was confirmed.**

9/09 URGENT BUSINESS

The agreement to process the ill health retirement for the ED (FP&HR) (9/09a (iii)) meant that it was now appropriate to initiate recruitment of a successor. This was a senior post and accordingly an appointment panel was formed of the Chair, Vice-Chair and Principal, with James Gallagher and Caroline Taylor as reserve members. The Advert would be placed on 23 October, the closing date and shortlisting would be 6 November and the interview process would be 12/13 November.

- a. **An appointments panel was formed.**
b. **The recruitment process was agreed.**

10/09 DATE OF NEXT MEETING

The next meeting would be at 1600 on 10 December 2009.

Phil Chadwick left the meeting.

11/09 CONFIDENTIAL ITEM