

## HOPWOOD HALL COLLEGE

Minutes of a meeting of the **Corporation** held on 16 July 2009 at 1600 hrs.

<b>Present</b>	Sultan Ali	Robert Clegg (Chair)	Ian Bain
	Phil Chadwick	Linda Feerick	James Gallagher
	Ann Holt	Alun Morgan	Mohammed Naeem
	Caroline Taylor	Derek O'Toole (Principal)	Terry Piggott
	Clive Reid	Clint Street	
<b>In Attendance</b>	Sarfraz Arfan (AD Corp Svcs)(Items 60-64/08d only)	Ralph Devereux (Clerk)	Margaret Kingsford (Exec Dir T&L)
	Janet Meenaghan (VP (Q&S))	OJ Rahim (Exec Dir Skills )	John Spindler (Interim Exec Dir FP&HR)
<b>Apologies</b>	Paul Harness		

**The Chairman welcomed Janet Meenaghan, the newly appointed (VP(Q&S)) to her first Corporation meeting.**

### **60/08 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.

### **61/08 MINUTES OF THE LAST MEETING AND NOTIFICATION OF URGENT BUSINESS**

- a. The Minutes of the meeting held on the 16 May 2009 were confirmed and signed.
- b. It was agreed to receive 2 items of urgent business (IQER and safeguarding).

### **62/08 MATTERS ARISING FROM THE MINUTES**

There were no matters arising.

### **63/08 MINUTES OF COMMITTEE MEETINGS (UNCONFIRMED)**

- a. Standards Committee. (15 June 2009). Comments at 27/08b and 28/08 were addressed in the Principal's report at Item 6; there were no other comments and the minutes were received.
- b. Audit Committee. (25 June 2009). Approval of the external audit plan at 33/08 was noted and the minutes were received.
- c. E&F Committee. (25 June 2009). The minutes were received.
- d. ED Committee. (Special)(6 July 2009). The minutes were received and would inform consideration of the accommodation strategy at Item 6.

**The Minutes were noted.**

### **64/08 PRINCIPALS REPORT**

- a. Framework for Excellence (FFE). The FFE was intended to provide a single and consistent grading to inform learners and employers based on an assessment of performance measured against 8

predetermined indicators. The scheme would be implemented across the sector in 2010/11 and a pilot had been completed during 2008; detailed analysis and scoring was at Annex A and were discussed and noted. Individual performances against the 8 PIs were then closely considered and it was noted in particular that accreditation to the Training Quality Standard (TQS) would bring an associated "Outstanding" rating for the employers views PI; a submission would be made in 2010.

- b. OfSTED Pilot Inspection. The full report from the recent pilot OfSTED inspection had now been received and the comprehensive analysis in Paper C was scrutinised. Key strengths and areas for improvement were closely examined and the subject area grades were discussed. Construction had been graded "Unsatisfactory" whilst the SAR had awarded a grade 3; and it was agreed as clear that there was thus no doubt that performance was poor with the SAR assessment probably tending towards the optimistic. This issue had been considered at length at the last Standards Committee meeting (27/08b) where concern had been registered. This assessment, in the light of the last 3 years of hard work, was disappointing. Although it evidenced the need for the SAR to be more rigorous the fundamental issue was the failure of Construction performance and delivery to improve. The inescapable fact was that urgent, sustained and continuous improvement was required, accordingly a set of immediate interventions had been determined and were discussed in detail. It was agreed that the report was a fair analysis of a fair inspection and that the content was an absolute indicator of progress and the executive was charged to reflect on and respond to the issues raised; both the PIAP and the QIS should be revised accordingly and brought to the next corporation meeting.
  - c. Retention. Provisional analysis of retention data indicated a solid improvement from 81% (2007/08) to 85% (2008/09), whilst this was a commendable improvement, national figures for 2007/08 at 83.4% showed the continuing need for close focus on this area to move into the upper quartile.
  - d. Accommodation Strategy. (See also 63/08d).The LSC had announced the 13 colleges that had been selected for funding and had asked for details of expenditure incurred in the abortive submissions; expenditure incurred up to the Christmas break 2008 was likely to be compensated but probably only at 50%. Project costs were fully detailed in the report and were explained and considered. The EDC had recorded, and the Corporation concurred that exclusion from the approved list had been a great disappointment; throughout the life of the accommodation strategy, assurances had been received that the agreed shape of future education in Rochdale was inextricably linked to the scheme and the personal intervention of LLSC executives, that had influenced the corporation to release the necessary building land (for the 6<sup>th</sup> Form College), together with further assurances, had proved ineffectual. Before the start of the exercise the College had been debt free but was now c£2.5 worse off and had a stock of redundant buildings, a sorry outcome; this issue would be raised the Minister for State for Schools at the meeting committed to at PMQ. As there was also extremely limited information regarding the local prioritisation of the project against other regional bids, any assessment of likely success would be difficult, and in the absence of a realistic "order of merit", it was assumed that success of any reassessment against some future funding allocation had to be negative and for all practical purposes the accommodation strategy was now defunct. The move to Dane Street had been assessed as economically unviable by the EDC. However, it was possible the £3.8m allocation may be available to assist with funding of necessary improvements scheme to the Rochdale campus, which was now clearly likely to remain for the foreseeable future. Improvements to the Rochdale campus were necessary to permit extended continuation of use and consideration had been given to the source of necessary funding. It was agreed that continued RMBC interest in the surplus land and buildings at Middleton should be actively pursued and the £11m facility negotiated for the strategy should be retained at present. The possible combination of the £3.8 allocation for the defunct Dane Street project, proceeds from the sale of redundant assets together with the overdraft could represent considerable financial resources and this was unanimously agreed. The EDC had suggested that full consideration of the project could only be given when a comprehensive report into the feasibility of upgrading of the Rochdale campus was available and it was agreed that should be urgently completed. The EDC Recommendations were considered and it was agreed that: the current accommodation strategy should be discontinued and an alternative explored, together with the RMBC, for presentation to the Corporation in September.
- a. **The information was received.**
  - b. **The amended PIAP and QIS to be brought to the next meeting.**
  - c. **A revised accommodation strategy would be brought to the next meeting.**

## **65/08 FINANCE REPORT**

The mid-year financial report accurate to 31 May had been considered and discussed by the E&F Committee and recommended to the Corporation. The surplus of £688k was -£73k below the budgeted surplus of £761k. Student enrolments were approaching targets for both 16-18 and 19+ but the funding levels were above budget due to the proportion of these completing longer courses; adult learner volumes and funding generation however were also both over target. The overall year end position had been budgeted as £7k and was expected to be slightly below at £2k. Over achievement in ALR delivery was some 14% (114% of target), consequently, as the LSC allowed up to 105%, some additional £150/175k depending on the amount of priority work involved could be expected although no provision had been made in the accounts. The schedule of bad debts showed that some £39k was outstanding and it had been agreed to write off that amount from the accounts but to continue to chase defaulters. The graphs and statements at Annex A were studied and the cash flow position was noted.

**The Report was received.**

## **66/08 BUDGET 2009/10 AND 3-YEAR DEVELOPMENT PLAN**

- a. College Budget. The revenue budget for 2009/10 had been scrutinised by the E&F Committee and recommended to the Corporation; the planning assumptions and the I/E streams were discussed and agreed as prudently realistic in the light of the possible effects of the fully detailed associated risks. Small changes to the numbers presented to the E&F Committee had been agreed by the E&F Committee immediately before the meeting, were detailed in the supporting documentation (para 2.5) and were noted. Total income was £5.4m higher than in 2008/09 including considerably increased contributions from T2G and the inclusion of RMBC's work-based and community learning activities (Learn Local). Expenditure was £5.1m higher than last year and provided for a 2% pay rise and expected efficiency savings, other areas of increase were in T2G and Learn Local activity. In summary the overall budget surplus of c£315k equated almost exactly to the contribution of Learn Local, and thus mainstream activity reflected a break even solution similar to the previous year. The E&F Committee recommendation was accepted and the budget for 2009/10 was approved.
- b. College 3-Year Financial Plan. 3 Year Financial Forecast. The 3-year financial forecast to the required LSC format had also been closely considered by the E&F Committee; the first year forecast was the budget for 2009/10. Several assumptions were detailed in the supporting papers, including a target surplus of 2% per annum, income and non-pay inflation at 1.5% and 1% respectively, and staff costs increases at 2% for the first year and 1.5% for the remainder of the plan, also included was provision for an exceptional payment to the LGPS in relation to a SPH. The effect of the loss of AS&A2 work had been provided for but, pending the outcome of the revised accommodation strategy (64/08) no account had been taken of any future loan or associated fee expenditure. The uncertainty over post LSC closure funding methodology meant that the figures should be treated with caution but represented the best forecast using the currently available information. Notwithstanding the immediate funding challenges, the financial health as defined by the FFE criteria remained "Good" for the life of the forecast. The E&F Committee recommendation was accepted and the 3-year financial forecast was approved.

- a. **The budget was approved.**
- b. **The 3-year financial forecast was approved.**

## **67/08 SCHEDULE OF MEETINGS 2009/10**

It was agreed that the Corporation Christmas social event would be held in the Cottons training restaurant and would follow the December meeting, accordingly the start time of that meeting was amended to 1600; with that amendment the schedule of meetings for 2009/10 was approved.

**The schedule of meetings was approved.**

## **68/08 EMPLOYER ENGAGEMENT**

There had been continuing achievement in driving the employer engagement strategy forward; Orchard Training Solutions (OTS) was now well established with all TTG target starts exceeded and with value standing at c£4m at year end resulting in an estimated c£1.5m contribution. The c/f to next year was relatively small because of start-up costs but the outlook for 2010/11 was promising. Expansion of the employer base should continue by widening of the recruitment area into greater Manchester. The recent

LSC audit of TTG had exposed some weaknesses, specifically in dealings with franchised partners and errors in pricing, the latter resulting in a clawback (Standards 27/08 and Audit 34/08 refer); these had arisen from some unfamiliarity with new processes and rapid expansion of OTS, they had now been resolved without detriment. A further opportunity had arisen, the R2R initiative, which required students to leave the training with a job found through OTR. A proactive approach had been taken with positive results, for example Tesco had undertaken to participate. 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. Challenges for 2009/10 were considered, discussed in detail and noted. The revised organisation for OTS staffing was at appendix and was noted.

**The information was received.**

**69/08 CYCLE TO WORK SCHEME**

Detail of the "Cycle to Work" scheme (Paper H) was circulated and discussed. The scheme involved individual leasing of cycles to staff, purchased centrally for eventual sale; both lessee and lessor would benefit through NI savings. The scheme would not be available to students although they could benefit from the consequent facilities and the scheme was expected to make a small overall contribution and was fully supported.

**The scheme was endorsed.**

**70/08 URGENT BUSINESS**

- a. Notification had been received that an IQER would be completed in October.
- b. The annual safeguarding report was circulated, discussed and noted.
- c. This was the last meeting for Margaret Kingsford (ED T&L) who was retiring at the end of the current term. Thanks were recorded to Margaret for the solid contribution she had made to the college and the corporation during her time, her inputs had been valued and would be missed; best wishes for a long and happy retirement were recorded.

**71/08 DATE OF NEXT MEETING**

The next meeting would be on 15 October 2009.

Signed.....

Date.....