

**Minutes of the Corporation Meeting held on Monday 13 July 2009 at 5.30 pm  
in Conference Room 1, the Astral Centre**

**Members Present:**

Ken Applegate: Member  
 Russell Baxter: Staff Member  
 Alan Debenham: Member  
 Evelyn Hicks: Member  
 Jane Hore: Acting Chair/Member  
 Kevin Howes: Member  
 Sheila Keenan: Member  
 Alastair King: Member  
 David Matthews: Member  
 Gwen Parsons: Principal  
 Richard Perkins: Vice Chair/Member  
 Sarah Smith: Staff Member  
 Anne Swietlik: Member

**In Attendance:**

Ros Pugh: Vice-Principal  
 Teresa Miller: Vice-Principal  
 Ron Stainsby: Assistant Principal  
 Charles Reynolds: Clerk to the Corporation

In the absence of Bob Mee, Jane Hore chaired the meeting and welcomed everyone in attendance. A special welcome was extended to Alan Debenham and Alastair King who were attending their first meeting since being appointed. For the benefit of the new members all present introduced themselves.

Before the meeting commenced Ruth Harrison Head of Quality and Workforce Development gave an update on revisions to the Common Inspection Framework. It was agreed that Ruth Harrison would liaise with the Clerk to the Corporation regarding future developments that could be useful for members to attend.

**Apologies for Absence and to Note Resignations:**

Apologies for absence had been received from Bob Mee and Sally Simpkin. The Chair advised that, for personal reasons Bob Russell had tendered his resignation. Members agreed that a letter of thanks and best wishes should be sent from Corporation by the Clerk.

The Chair informed members that Laura Morgan was no longer able to serve as she had ceased to be a student at the College. The Student Congress has already been approached regarding a new nomination for a Student Member. It was also reported that Laura won the Adult Big Skill Award for Suffolk.

This meeting was also to be the last one attended by Ros Pugh before her secondment to the Learning and Skills Council and Ron Stainsby before his retirement after 36 years service to the College. On behalf of Corporation both were thanked for the tremendous work they had done in their respective roles on behalf of the College and were wished well for the future.

**Action**

**Clerk**

**1. Disclosures of Interest:**

There were no disclosures of interest relevant to the agenda items.

**2. Minutes of the Last Meeting**

- 2a) The minutes of the Corporation Meeting held on 18 May 2009 were agreed to be a correct record and were signed by the Chair.
- 2b) The minutes of the Special Meeting held on 8 June 2009 were agreed to be a correct record and were signed by the Chair.

**3. Matters Arising from the Minutes and not Agenda Items**

**3.1a) Calendar of Meeting Dates (previous agenda item 11)**

The Clerk confirmed the required action had been taken.

**3.1b) Curriculum and Standards Working Party (previous agenda item 11)**

The Clerk advised that as a result of other priorities and following discussion with the Principal, it had been agreed to defer this therefore it was still to be actioned. It was also reported that an attempt had been made to get a group together but it had not been possible to find an acceptable date that more than one member could make.

**3.2) College Financial Regulations (previous agenda item 12.2b)**

The Clerk advised the required action had been taken.

**3.3) Public Access to Meetings (previous agenda item 13.2)**

The Clerk advised the required action had been taken.

**4. Correspondence**

**4.1) The LSC Further Education Capital Programme – LSC**

Part 1b Open Items: for discussion and action.

**5. Three-Year Financial Forecast 2009/2012. One Year Operating and Capital Statements 2009/2010**

This item was presented by Teresa Miller who, before taking members through the very detailed meeting paper, advised that the Estates and Finance Committee had reviewed thoroughly the Operating and Capital Statements for 2009/2010, which were needed as part of the Three-Year Financial Forecast. However it was Corporation's responsibility to approve not only the forecast and statements but also the Risk Management Plan and the College Self-Assessment of its Financial Health Status.

Members were referred to the detailed meeting paper and Teresa Miller reviewed each element with care. In setting the scene a number of key performance indicators were reviewed. Whilst the meeting paper indicated projected performance members were provided for each of them with the equivalent figures for 2008/09 which helped to demonstrate where performance was hoped to improve or would give. Of particular note was the importance of diversification of income, especially in light of the fragility of LSC income, and the control of staff costs. Overall it was predicted there would be a small surplus at the end of 2009/10. Teresa Miller took members through the headline

factors as set out in the executive summary. LSC funding accounted for 64% of the College income and, because of a failure to hit target numbers, was contracted to be less for 2009/10. Whilst contract values as known had been used in constructing the budget there were concerns over some of these funding streams. This meant that LSC funding could not be guaranteed and as such was a greater risk to the College. Examples of concern over monies earmarked for Train to Gain and European Co-financed projects were given. In response to a question from Richard Perkins it was confirmed that these concerns affected all Colleges.

Teresa Miller also added that the impact of the Machinery of Government changes were also unknown and therefore stressed that the Governors needed to recognise that LSC income was an extremely high risk. The Chair observed that it was therefore better for Lowestoft than other Colleges as it had diversified its income stream.

With reference to the concern that employers were being let down because of difficulties nationally with Train to Gain funding Anne Swietlik observed that the College did in fact have a good reputation locally because it had been very responsive. It was she believed important for the new funding agencies to be aware of this when they came on stream.

Moving to areas of non LSC funding, which accounted for 36% of College income, Teresa Miller observed that the situation seemed more promising. Projected HE numbers were looking good and whilst there would always be risks associated with commercial income, anticipated Officer of the Watch student numbers were also looking good.

Moving to the area of costs Teresa Miller carefully outlined her concerns with those associated with staffing. In preparing the budget £300,000 had already been taken out of the staffing budget and it was the considered view that further reductions would be needed. This was especially the case if the proposed staff salary increase was likely to be 1½% and not the 1% budgeted for. This would depend on the outcome of national negotiations and whether Corporation continued to operate its policy of paying nationally agreed pay rises. It would however be really important for the College to review its staff and compare it carefully against its future needs. Staffing costs were an area of concern.

Turning to non pay costs Teresa Miller believed that the College managed these really well. A contingency fund of £334,000 had been set aside and it was explained how this had been achieved.

Regarding the Balance Sheet members were advised that as a consequence of the LSC decision not to fund further capital development at the College at this time it would be necessary for it to revise its property strategy. To start this process £500,000 was showing in the Balance Sheet for 2010/2011 and 2011/2012 in respect of refurbishment. The matter of refurbishment was subject to general discussion although it was recognised it was an agenda item later in the meeting.

In summarising Teresa Miller observed that the budget as set would need to be achieved. There was the issue of the covenant with banks relating to the financing of the Sir Christopher Cockerell building which did not allow for two consecutive deficit years. Therefore a surplus had to be made.

Having gone through the very detailed Executive Summary regarding the forecasts and statements members' attention was directed to the Risk Management Plan. Teresa Miller reminded members that this also needed to be approved. The area of Risk Management was subject to audit by the College internal auditors and the most recent report had had an outcome of "Substantial Assurance". In the current year an advisory

audit had been carried out which looked at Risk Maturity. Referring members to page 2 of appendix 2 of the meeting paper Teresa Miller advised that the outcome of this piece of work indicated that the College Risk Management was seen as "Managed" as demonstrated diagrammatically. This would indicate that the College did have the necessary policies and systems and, just as importantly, was implementing them. The Risk Management Plan was reviewed.

Finally and with respect to the College assessment of its Financial Health Group Teresa Miller advised that Colleges could assess from outstanding where indicators were strong to inadequate where they were weak. The College believed, on the basis of information already provided that the appropriate assessment was satisfactory and maintaining this over the three-year period. Responding to this there was discussion as to whether it was ambitious enough to leave as satisfactory for the three years. It was agreed that if circumstances improved it could be re-assessed in the future.

With reference to the Risk Management Plan Anne Swietlik asked if there was acknowledgement that, as the College Capital Plan had been refused and as the Sixth Form was likely to go ahead that this could seriously affect recruitment. Teresa Miller advised that this was accounted for in the Risk Register.

**In the absence of any further discussion or questions it was proposed by Anne Swietlik and seconded by Sheila Keenan that Corporation approve the Operational and Capital Budgets for 209/2010 together with the Financial Forecast for 2009-2012, approve the Risk Management Plan and assess the College Financial Health overall as Satisfactory.**

**Members voted unanimously in favour.**

The Chair thanked Teresa Miller for her detailed report.

## **6. Internal Audit Plan 2009/10**

Presented by Teresa Miller who was pleased to report that the internal audit plan for 2008/09 had been delivered successfully with the exception of one report that would be reviewed in September. Most audit reports had assessed College controls, processes and systems as providing "Substantial Assurance" and, in audit terms, it had been a good year.

Members were referred to the meeting paper which set out the proposed plan for 2009/10. It was confirmed that the plan was based around strategic risks. Teresa Miller advised that the student journey audit planned for the autumn term might not take place should the anticipated Ofsted inspection happen first. It was also confirmed that in the light of the LSC decision not to support the College building programme the proposed Capital Projects audit would not take place. Therefore days would be freed up. Responding to this members suggested that an audit of Equality and Diversity could be considered. In response to another query it was also confirmed that Key Financial Controls would be audited.

The Chair advised that Audit Committee had reviewed the plan and were recommending acceptance. Teresa Miller confirmed that the date on the plan was incorrect on page 6 and should read 2009/10.

**In the absence of any further questions or discussions it was proposed by Anne Swietlik and seconded by Sheila Keenan that, subject to the amendments discussed Corporation approve the plan.**

**Members voted in favour. There was one abstention.**

## 7. Strategic Planning – A Review of the Current Aims and Priorities

In setting the scene the Principal advised that the purpose of the agenda item was to enable Corporation to review the whole Strategic Plan to determine whether any changes should be made, for example as a result of the outcome re the Capital Project. It would also provide an opportunity to review progress to date against the performance measures set. The Mission Statement was also reviewed and still seen as appropriate. The Principal reminded members of the goals agreed in the Strategic Plan. With reference to the meeting paper current performance for each of these was reviewed.

Having reviewed performance to date the Principal suggested changes that were believed to be more relevant to College needs. There were three specific changes which were detailed. These were to change priority A3 to read “To decrease the percentage of adults of working age in Waveney who have no qualifications”.

With reference to this Ken Applegate suggested turning the priority into a positive statement as “To increase the percentage of adults of working age in Waveney who have qualifications”.

Principal

Members agreed.

The second change was to priority C1 as the Principal felt that it was not now possible in the current economic climate to achieve a turnover of £20million by 2012/13. It was her opinion that a stretching but more achievable target was £17million.

This was reviewed and seen as appropriate although still very challenging.

The third change affected priority C2, to create a state of the art new campus by 2012. In light of the outcome of the LSC Capital Project review it was the Principal’s view that this should be removed.

Richard Perkins felt that a priority was still needed as there was still work that would need to be done to the College estate. It was now a question of how this could be achieved. Members agreed and requested the Principal to ensure the priority was amended but not removed.

Principal

Having reviewed the priorities thoroughly the Principal again referred members to the meeting paper and proposed revised targets for 2009/10. Each was thoroughly reviewed and discussed by members. Key changes were to target all curriculum areas to be graded “good” at an Ofsted inspection as well as delivering an overall grade of “good”, to have a successful transition from the LSC, to develop a workforce plan and to develop a new capital development strategy. In all a total of 9 targets were put forward.

Responding Ken Applegate suggested there should be reference to reduced full cost recovery income if the relevant priority had been changed. With respect to the transition from the LSC Evelyn Hicks observed that the target should reflect successful movement to the new funding agencies. The Principal acknowledged these.

Principal

**In the absence of any further discussion or questions it was proposed by Richard Perkins and seconded by Sheila Keenan that the revised priorities and targets as amended be accepted by Corporation.**

**Members voted unanimously in favour.**

At this point, and as advised earlier in the meeting an additional agenda item was added with reference to the proposed Sixth Form and relevant agreements with the Corporation.

## **7a) Sixth Form College – Design and Legal Heads of Terms**

David Groves and Trevor Castle joined the meeting at this point to present the agenda item.

David Groves explained that the purpose was to highlight items and issues that needed to be dealt with in the Autumn as part of the process of submitting the Application in Principle to the Learning and Skills Council.

It was explained that funding for the Sixth Form College project had not as yet been secured but assurances had been given for the £28million. Prior to any agreement for the funding the leases between the parties regarding the relevant piece of land on which the College will be built would need to be agreed. Key issues still to be resolved were how the two institutions would work collaboratively, being clear about exactly which piece of land was involved and how to include the Leisure Facilities at Barnard's Meadow.

Trevor Castle added that there was also a need to update the project in the light of the LSC decision not to fund the College Capital Project.

In response members were clear that it would be necessary to devote a special meeting to this matter, once the necessary legal work had been completed, and in order for full consideration to be given and decisions taken. To this end it was suggested such a meeting take place in September. Date to be notified. Finally briefing papers were made available for members. The Clerk was asked to circulate electronic copies.

Clerk

The Chair thanked David Groves and Trevor Castle for their input and they left the meeting at this point. Evelyn Hicks also left the meeting at this time.

## **8. Equality and Diversity – review of targets for 2008/09 and agree targets for 2009/10**

Ros Pugh took members through the meeting paper for this item with care. The importance of Equality and Diversity, especially since the revisions to the Common Inspection Framework and in respect of future Ofsted inspections, was reinforced. Ros Pugh believed that the College had made good progress over the last 12 months and it was important that each member of Corporation was aware of what was going on.

With reference to the action plan members were reminded that the Corporation had set targets three years ago. It was of course important for the College to be legally compliant especially in response to what seemed to be frequent changes in law. It was agreed that Governors should be invited to relevant development sessions to ensure they were kept up to date.

Members were taken with care through the Action Plan by Ros Pugh. Each target was reviewed and it was Ros Pugh's view that targets 3, 4 and 8 had been successfully achieved. In support of this Alan Debenham felt that there should be greater reference to sexual orientation by inclusion in relevant targets. Ros Pugh also felt that the addition of an Internal Audit report which would look at Equality and Diversity would help but would like assurances on how knowledgeable the audit team would be. In discussion members also felt it should take account of Ofsted best practice. It was also felt that an Equality and Diversity Officer should be appointed to "champion" the issue of Equality and Diversity within the College.

Ken Applegate observed that the College also needed to focus on those who were not coming to College to ensure the reasons why they were not did not relate to issues of Equality and Diversity.

The Principal added that the HR team had subscribed to a special website “Disable Go” which had proved very successful. On the issue of gender however she felt that more could be done with role models to encourage students to consider a wider range of career options using engineering as an example.

David Matthews felt that future targets needed to be much smarter and also that the action plan should be based on Ofsted guidance.

In the absence of any further discussion members agreed that the report had been a good update and that a new refreshed action plan was needed. To this end the Principal was asked to produce a revised Action Plan for presentation at the October Corporation Meeting.

The Chair thanked Ros Pugh for her update and congratulated the College on the work done to date.

## **9. Capital Planning – Verbal Update**

The Principal advised that the Association of Colleges had recently held a Capital Funding Summit which had been attended by the Clerk, who was asked to provide a summary.

It was explained that the purpose of the event had been to provide colleges with an understanding of the process used by the LSC in determining which projects to support, to challenge this approach, to raise concerns resulting from the outcome and to consider possible ways of moving unsuccessful projects forward.

In terms of the process used it was made clear that the Treasury had stipulated the extra funding, £300 million, had to be used as fiscal stimulus, hence the requirement for projects to be shovel ready. A points system had been used to determine a “rank” order and the top 13 colleges had been funded on the basis of funds available. It was stressed that there had been no political interference in the decision making process.

The LSC was challenged as to why fewer colleges’ projects had not been funded with the balance of funds used to help all colleges pay their fees etc. Responding to this the Chief Executive of the LSC, Geoff Russell, advised firstly that the Treasury would not allow this re fiscal stimulus, and secondly it was his view that the LSC had no responsibility to meet College expenditure incurred as a result of capital projects. Rather the responsibility lay with Corporations who should have assessed risk as a part of their decision making processes. This view was challenged and reluctantly there was acceptance that, through encouragement the LSC may have a moral obligation. However the funding was not there to provide relief to colleges. All colleges who submitted bids should however receive the outcome of the assessment of their project shortly.

The issue of increased maintenance costs needed to repair and upkeep premises that colleges had hoped to be replacing was clearly seen as a concern. As was the likely inability of Colleges to meet energy saving targets if old building stock was retained.

Finally, and in attempting to look to the future, it was the LSC’s view that colleges needed to reduce the scale of projects and look for alternative funding streams. It was also their view that colleges should “pool” their funding requirements in order to secure more attractive lending rates etc as it was evident that the financial institutions were keen to support the sector. This of course did not address the key issue of whether colleges could afford to pay.

**Principal**

An outcome of the summit could therefore be the establishment by the AoC of a working party to explore funding collaborations.

The Principal added that she had recently spoken with Caroline Neville from the LSC who had advised that she was looking into alternative funding sources. The Principal was also due to meet with representatives from RG Carter and Davis Langdon on Tuesday next at their request. A report would be circulated if it was felt necessary.

Members received the report and expressed dissatisfaction with the attitude of the LSC in respect of the financial position they had clearly put many colleges in.

In view of the time members agreed to defer agenda items 10 and 11 to a future meeting.

Part 1c Open items to be noted.

At this point Alastair King left the meeting.

## **12. Minutes of the Committees**

### **12.1 Audit Committee.**

Item deferred as key agenda item, the Internal Audit Plan had been dealt with.

### **12.2 Estates and Finance Committee**

Presented by Richard Perkins who presented the minutes for 11 May 2009.

#### **12.2a Management Accounts to the End May 2009**

Members were advised by Richard Perkins that the Management Accounts had been thoroughly reviewed and were recommended to Corporation.

#### **12.2b Loan Agreement**

Teresa Miller advised that there was a need for the College to re-negotiate a loan agreement with respect to the £300,000 loan relevant to the Sir Christopher Cockerell Centre, which was due for repayment in November in order to protect the College Cashflow. Reference was made to the meeting paper.

**This action was proposed by Richard Perkins and seconded by Kevin Howes.**

**Members voted unanimously in favour.**

### **12.3 Personnel Committee**

The minutes of the meeting held on 15 June 2009 were presented. The Chair, Kevin Howes, advised he had nothing further to report.

### **12.4 LOWES Ltd**

#### **12.4a Nominations for Director**

**Ken Applegate indicated a interest in being a Director. To this end it was proposed by Kevin Howes that Ken Applegate be nominated as a Director of LOWES Ltd. Ken Applegate accepted the nomination which was seconded by the Principal.**

Clerk

**Members voted unanimously in favour.**

**12.4b College Re-branding**

This item was deferred.

**Clerk**

**12.5 Search Committee**

The minutes of the meeting held on 27 March 2009 and 12 May 2009, draft, were received and noted respectively.

**13. Any other Business**

There were no items of any other business.

Part 2 Confidential Items

**14. Workforce Planning**

The minutes for this item can be found in the Confidential Minute Book.

**15. Date and Time of Next Meeting**

The next scheduled Corporation Meeting will take place on Monday 12 October 2009 at 5.30 pm in Conference Room 1, the Astral Centre.