

C(08)M7

**Minutes of the seventy-fourth meeting of the  
Corporation  
held on Thursday, 4<sup>th</sup> December 2008 at 18.00hrs**

Members present: Dr S Claridge (Chair)  
Mr W Archibald  
Dr M Bateman  
Ms J Dann  
Mr O Davies  
Ms E Emms (from minute 28 only)  
Mr J Harris-Burland  
Ms S Hopkins  
Mr J McDougall (Principal) (Except for minutes 49 and 50)  
Mr M Nickbakhsh (Except for minutes 49 and 50)  
Ms P Thorn (Except for minutes 49 and 50)  
Mr D Wood (Except for minutes 49 and 50)

In attendance: Mrs B Billings (Clerk to the Corporation) (Except for minute 50)  
Mr G Blagdon (Director of Finance and Corporate Services) (Except for minutes 49 and 50)  
Ms L Nicholls (Assistant Principal) (Except for minutes 49 and 50)  
Ms L Siddall (Deputy Principal) (Except for minutes 49 and 50)

**21-08/09 Apologies for Absence**

Apologies for absence were received from Mr D Burns, Mr M Fairhurst, Mr P Hopkins, Ms H Oliver, Mr D Todman and Ms F Yoward.

**22-08/09 Minutes of Last Meeting**

The minutes of the meeting held on 30 September 2008 (C(08)M6) were approved and signed as a correct record.

**23-08/09 Corporation Membership**

The Corporation confirmed the appointment of Mr Mehrdad Nickbakhsh (IT Teacher) as the elected Staff Member (Teaching Staff) of the Corporation, for two years, with effect from 1 January 2009.

**Action: The Clerk**

## **24-08/09      Actions Taken or Outstanding**

The Corporation noted a report on actions taken or outstanding following recent meetings (C(08)67). With reference to minute 8-08/09 of C(08)M6, the Principal reported that the LSC Funding Agreement 2008/09 had now been received and the amounts stipulated within it were the same as in the earlier indicative allocation.

## **25-08/09      Health and Safety**

The Director of Finance introduced and the Corporation noted a report on the recent activities of the Health and Safety Committee (C(08)68). It was reported that efforts were continuing to try to obtain relevant accident benchmarking data and to this end the Health and Safety Officer would be approaching the Association of Colleges. Two Colleges had provided some relevant data which seemed to indicate a similar number of incidents when compared to Havant College. In response to a question it was reported that the College had not had any reportable health and safety incidents over the past year.

## **26-08/09      Report of Corporation Committees**

The Corporation noted a report on the activities of its Committees (C(08)69) and agreed the following actions:

- (a) To approve the Search Committee committee membership recommendations as follows:
  - (i) That should Mr D Burns accept the invitation to join the Finance and General Purposes Committee then Mr M Fairhurst should be asked if he was willing to join the Quality, Standards and Planning Committee instead of the Finance and General Purposes Committee; and
  - (ii) That the Clerk should ascertain whether Dr Debbie Read (Portsmouth University) might be willing to join the Quality, Standards and Planning Committee as a co-opted member.

**Action:      The Clerk**

- (b) To approve the interim internal audit report – governance, as recommended by the Audit Committee; and
- (c) To note the minutes of the Committee meetings.

## **27-08/09      Principal's Report**

The Corporation noted a report from the Principal covering the College activities between 1 September 2008 and 21 November 2008 (C(08)70).

## **28-08/09      Development Plan**

The Principal introduced and the Corporation noted a progress report on the College Development Plan 2008-11 (C(08)90). During the ensuing discussion the following points were made:

- (a) As at present the bulk of Spring Training's work related to Train to Gain activities, the Principal did not feel it was yet the appropriate time to set it up as a separate company; and
- (b) Although there was currently a small under spend on the staff budget, arising as a result of things such as not filling some posts, increases in employer pension contributions and addressing a shortage in the support staff area was likely to negate the under spend.

## **29-08/09      Committee Priorities**

The Corporation approved the Committee priorities for the year 2008/09 (C(08)71).

## **30-08/09      Capital Projects**

- (a) The Principal gave an oral update on matters concerning the College capital projects. During the ensuing discussion the following points were made:
  - (i) The LSC Regional Board had now approved the Application in Principle and the matter would be considered by the LSC National Capital Committee on 13th January 2009, before referral to the LSC National Council on 21st January 2009. It was hoped to receive the formal letter approving the AiP before the end of February 2009;

(Note by the Principal: the formal letter approving the AiP could now be received before the end of January 2009)

- (i) The Application in Detail work was progressing well, however, as a result of having to meet the BREEAM 2008 Excellence requirement a four week slippage had be introduced into the Skills Centre programme; and
  - (ii) Ms I Wragg (LSC South East Regional Property Adviser) had indicated she was willing to accept the AiP valuation of the land at Fulflood Road and it was now anticipated that the necessary written "consent to acquire" the land would be received within the next few days. It was hoped to proceed to exchange of contracts as soon as possible.
- (b) The Director of Finance introduced and the Corporation noted a document showing the budget 2008/09 and cash flow from August 2008 to July 2009 with Skills Centre costs both included and omitted (C(08)72). During the ensuing discussion the following points were made:

- (i) At its meeting on 18 November 2008 the Finance and General Purposes Committee had agreed to support the version of the College budget 2008/09 which included Skills Centre costs and income to Application in Detail (AiD) submission, subject to its implementation including key milestones/decision review points. On 2 December 2009 the Capital Projects Steering Committee had also agreed to support the proposals to continue work, at risk, on the Skills Centre – January to March 2009;
  - (ii) The document presumed that fee support from the LSC would not be received by the College until April 2009; however, the Principal had indicated that it might be received earlier than this which would lessen the amount of overdraft required;
  - (iii) C(08)72 did not include the cost of purchasing the land at Fulflood Road;
  - (iv) The Director of Finance and Principal had met with representatives of two banks regarding loan facilities and these meetings had been very positive;
  - (v) More detailed costs of the work from March 2009 onwards were currently being prepared and it was hoped they would be ready for submission to the January 2009 meeting of the Capital Projects Steering Committee; and
  - (vi) It was important to continue the momentum for the capital projects especially since the risks associated with obtaining AiP approval and the purchase of the Fulflood Road land had decreased.
- (c) The Corporation approved the version of the College budget 2008/09 which included Skills Centre costs and income to Application in Detail (AiD) submission (C(08)72). It was also agreed to support the proposals to continue work, at risk, on the Skills Centre – January to March 2009, with the Capital Projects Steering Committee being given delegated authority to approve the necessary expenditure on a month by month basis.

**Action:           The Principal**

**31-08/09           Monthly Management Reports – 1 August 2008 to 30 September 2008**

The Director of Finance introduced and the Corporation noted the Monthly Management Reports from 1 August 2008 to 30 September 2008 (C(08)73).

**32-08/09 Report and Financial Statements for the Year 1 August 2007 to 31 July 2008**

- (a) The Director of Finance introduced the Report and Financial Statements for the year 1 August 2007 to 31 July 2008 (C(07)74). It was noted that the Financial Statements showed a deficit on continuing operations, after depreciation of assets at valuation and tax, of £502k, however, this figure included £763k of expenditure relating to the proposed capital projects. If the expenditure on the capital projects was excluded the underlying position of the College with regard to its normal operations was a surplus of £261k. It was commented that the Audit Committee had suggested that the Statement of Corporate Governance and Internal Control should include a note about the Capital Projects Steering Committee.
- (b) The Corporation approved the Report and Financial Statements for the year 1 August 2007 to 31 July 2008, subject to the inclusion of a note about the Capital Projects Steering Committee within the Statement of Corporate Governance and Internal Control. The Corporation authorised the Chair of the Corporation and the Principal to sign the Report and Financial Statements.

**Action: The Chair  
The Principal**

- (c) The Corporation thanked the Director of Finance and his team for their work in preparing the Report and Financial Statements.

**33-08/09 Key Findings Regarding the Audit of the Financial Statements for the Year Ended 31 July 2008**

The Director of Finance introduced and the Corporation noted a report on the key findings of the audit of the Financial Statements for the Year Ended 31 July 2008 which included the Regularity Audit (C(08)75). During the ensuing discussion the following points were made:

- (i) The discretionary learner support fund guidance had been updated for 2008/09 and the College would have to ensure that it complied with the new guidance;
- (ii) The audit suggested that the Corporation should formally review, on an annual basis, the accounting policies of the College prior to the approval of the financial statements. At its meeting on 18 November 2008 the Finance and General Purposes Committee had agreed that it should review the accounting policies at its February/March meeting so that its recommendations could then be submitted to the March Corporation meeting for approval; and
- (iii) Henceforth the College would be requesting quarterly bank statements from the Clydesdale Bank.

### **34-07/08 Letters of Representation**

- (a) The Director of Finance introduced and the Corporation approved for signature the Audit of Financial Statements – Year Ended 31 July 2008 Letter of Representation (C(08)76).

**Action: The Director of Finance**

- (b) The Director of Finance introduced and the Corporation approved for signature the Regularity Audit - Year Ending 31 July 2008 Letter of Representation (C(08)77).

**Action: The Director of Finance**

### **35-08/09 Emerging Issues**

The Director of Finance introduced and the Corporation noted a paper on the Learning and Skills Sector Emerging Issues (C(08)78).

### **36-08/09 Annual Internal Audit Report 2007/08**

The Director of Finance introduced and the Corporation accepted the Annual Internal Audit Report for the year ended 31 July 2008 (C(08)79). It was noted that, with regard to overall assurance, the report concluded that the College “has adequate and effective risk management, control and governance processes, to manage the achievement of the organisation’s objectives”. It was commented that “adequate” was the highest grading available. In response to a question, it was reported that the losses referred to in paragraph 4.2 concerned thefts of bicycles and projectors from the College.

### **37-08/09 Annual Report Audit Committee**

The Director of Finance introduced the Audit Committee’s Annual Report to the Corporation and the Principal as Accounting Officer (C(08)80). The Corporation accepted the Report. It was reported that that given the increasing importance of the College Risk Register, and the significant risks the capital projects would expose the College to, the Audit Committee had agreed to give consideration, at its next meeting, as to how it should monitor, review and utilise this document in the future.

### **38-08/09 Appointment of Financial (External) Auditors**

The Corporation approved the recommendation of the Audit Committee that Baker Tilly be appointed the College’s external auditors for the session 2008/09.

**Action: The Director of Finance**

#### **39-08/09 Staff Pay Awards 2008/09**

The Chair gave an oral update on the staff pay awards for 2008/09. It was reported that the national recommendation for both teaching and support staff had been 2.45%; that the Remuneration and Employment Policy had agreed to recommend that the national recommendations should be implemented and that as the costs involved did not exceed the provision in the budget for 2008/09, as approved by Corporation; the Corporation Chair should be asked to approve the implementation via Chair's Action. Chair's Action had subsequently been taken and the pay increase, backdated to 1 September 2008, was in the November 2008 staff salaries. The Corporation endorsed the action taken by the Corporation Chair.

#### **40-08/09 College Self Assessment Report (SAR)**

The Deputy Principal introduced and the Corporation approved the draft College SAR 2007/08 (C(08)81). The Corporation members undertook to forward any comments on the Report, to either the Deputy Principal or the Clerk, by 12<sup>th</sup> December 2008 if possible.

**Action: All Corporation Members**

#### **41-08/09 Report of the Quality Performance Review Group (QPRG)**

The Corporation noted the minutes of the recent meeting of the Quality Performance Review Group (QPRG) held on 24 September 2008 (C(08)82).

#### **42-08/09 Corporation Targets 2008/09**

The Corporation noted a progress report regarding the Corporation's targets for 2008/09 (C(08)83).

#### **43-08/09 Risk Management Framework**

- (a) The Clerk introduced and the Corporation noted a paper which had been produced to assist the Corporation in reviewing the effectiveness of the College's system of internal control, including risk management, and which included an annual report on the operation of the risk management framework (C(08)84). The Corporation concluded that the College did have an effective system of internal control.
- (b) The Corporation noted the latest version of the Risk Register (C(08)85).
- (c) The Corporation approved the latest version of the Risk Action Plan 2008/09 (C(08)86).

**44-08/09 Publication Scheme**

The Clerk introduced and the Corporation approved an updated version of the College's Publication Scheme (C(08)87).

**Action: The Clerk**

**45-08/09 Policy Regarding Delegations of Authority**

The Corporation approved an updated version of the College's Delegations of Authority Policy (C(08)88).

**Action: The Clerk**

**46-08/09 Annual Conference 2009**

The Principal introduced and the Corporation gave consideration to proposals for the Corporation's 2009 Annual Conference to be held on 6/7 February 2009 at Langrish House, Petersfield. It was agreed to support the proposals that the programme include:

- (a) Machinery of Government Matters (with David Willets MP and possibly an officer from Hampshire County Council);
- (b) A broader view of FE strategy (by Steve Besley (*Edexcel*)); and
- (c) A session on the link governor scheme.

**Action: The Principal  
The Clerk**

**47-08/09 Association of Colleges (AoC) Conference**

The Chair introduced and the Corporation noted a report on his recent attendance at the AoC Conference (C(08)89). The Chair thanked the College for supporting his attendance at the event.

**48-08/09 Date of Next Meeting**

Tuesday, 24 March 2009 at 18.00 hrs.

**49-08/09 Confidential Item: Appraisal of Principal**

See confidential minute

**50-08/09 Confidential Item: Appraisal of Clerk**

See confidential minute