

GOVERNING BODY

MINUTES

of the meeting of the Governing Body of Richmond Adult and Community College held at 6:15 pm on Thursday, 1st July 2010 in the Richmond Business School, Parkshot, Richmond

Present	Mr Geoff Varrall, Chair Ms Sally Field, Vice Chair Dr Tim Woolmer, Vice Chair Ms Siân Bates MBE Ms Rohini Bhattacharya Ms Sally Cole Ms Christina Conroy OBE, Principal & Chief Executive Ms Louise Fluker Mr Manoj Nanda Mr Sylvester Olutayo Ms Cindy Rampersaud Mr Sebastian Scotney Mr David Sidonio Ms Helen Szyra Mr Chris Williams
Apologies	Mr Kevin Finnigan Dr Michael Sevitt
In attendance	Ms Gabrielle Flint, Vice Principal (Curriculum & Quality) Ms Judith Potter, Vice Principal (Finance & Corporate Services) Mr Paul Coveney, Clerk to the Governing Body and College Secretary

Part 1 Non Confidential

1. VICE CHAIRING ARRANGEMENTS FOR THE GOVERNING BODY

The Governing Body appointed Sally Field as Vice Chair and accredited deputy to the Chair of the Governing Body until 31st July 2012.

2. MINUTES

of the meeting on 31st March 2010 were approved as a correct record and signed by the Chair.

3. MATTERS ARISING

- Item 4: the Principal reported that it was proposed to hold a Governors' Development Event to coincide with the January 2011 meeting of the Governing Body: There would be a number of new Governors, and the meeting would coincide with the Governing Body's approval of the College Self Assessment Report for 2009/10. This presented an ideal opportunity to develop the Governing Body as a corporate body of volunteers, who rarely had the opportunity to meet outside formal meetings, and to look forward strategically based on the findings of the SAR. The Principal confirmed that the intention was to hold the May 2011 development event in College, which would represent a major saving, but she believed that the January event would be far more effective with a one-night residential element: a single annual event was affordable in the interests of maintaining the quality of governance of the College, which had been described by Ofsted as exemplary. The Governing Body accepted the proposal from the Principal, and asked her also to consider whether it would be beneficial to hold a short development event in College in the Autumn term also.
- Item 8: the Principal reported that the Single Equality Action Plan had been well received by Ofsted.

Principal

4. DECLARATIONS OF INTEREST

As enrolled students of the College, Sally Field, Helen Szyra and Tim Woolmer declared an interest in item 10. The Governing Body decided that they need not withdraw while that item was under consideration, but should not take part in any vote.

Rohini Bhattacharya and Sally Cole declared an interest in item 16.

5. OFSTED INSPECTION

The Governing Body expressed its congratulations to the Executive and to the College staff on achieving a Grade 1 Outstanding assessment from Ofsted at its inspection between 17th and 21st May 2010.

The Vice Principal (Curriculum & Quality) reported that the Ofsted report contained some areas for improvement, which would be recognised in the College's Self Assessment Report for 2009/10 (on which work had already started) and in the resulting Quality Improvement Plan.

The Governing Body noted the report of the Ofsted inspection with pleasure.

6. MANAGEMENT ACCOUNTS TO 30th APRIL 2010

The Vice Principal (Finance & Corporate Services) reported that, since the submission of the management accounts for the quarter ended April 2010, she had seen the provisional accounts to the end of May 2010. The achievement of the Employer Responsive funding targets remained the main area of concern relating to the projected £8m of income. In relation to expenditure, the College continued to make cost savings, and payroll costs were lower than previously forecast. However, there had been additional costs involved in preparing for the Ofsted inspection, and the restructuring costs would be higher than originally anticipated: the College would not know for certain whether it would break even in 2009/10 until the final numbers were available.

The Governing Body asked whether the cost savings mentioned were once-off or continuing, to which the Vice Principal (Finance & Corporate Services) replied that many cost reductions (for example third party marketing and energy savings) would continue, but reminded the Governing Body that the College would need to manage the increase in VAT to 20% effective in January 2011. There would also be some increased IT costs in the short term (associated with the IT infrastructure refresh investment), but these would then generate greater efficiencies for the future, including the cost of delivering the curriculum.

The Governing Body noted that, as requested at its meeting on 31st March 2010, more detail than previously was shown in the management accounts information submitted to the Governing Body, and that the funding and enrolment report submitted to the Finance & Resources Committee on 17th June 2010 had been accompanied by a guide to interpretation.

The Governing Body noted the management accounts to 30th April 2010.

7. CAPITAL PROJECT

In considering the update paper from the Chair of the Programme Management Group, the Governing Body noted that the cost of the CTC windows and cladding replacement was now expected to be £85-90K, rather than £100K.

The Vice Principal (Finance & Corporate Services) reported that there was a small increase in cost and delay to the boiler replacement project: the removal of some asbestos (which had been shown on the asbestos register) was slightly more complex than originally envisaged. The College had received verbal confirmation from LBRuT of the car park arrangements, and the expectation was that the 2009/10 programme would be under budget by c. £60K.

The Governing Body noted the Capital Project report.

The Governing Body considered tabled documents setting out a letter from the Skills Funding Agency relating to renewal grants and enhanced renewal grants for capital projects. The College was entitled to a renewal grant of £225K, provided both that it could match the funding by £450K from its own resources, and that the investment complied with stated criteria. The College was firmly of the belief that its projects on the roof, windows, perimeter fence and wall qualified, and would submit an application for a renewal grant in respect of those projects.

Also available from the Skills Funding Agency, but on a challenged fund basis, was an enhanced renewal grant, which could potentially bring the total grant funding up to a maximum of £1m. Again, the College would need to match any grant by double the amount from its own resources, and the investment would need to satisfy certain eligibility

criteria: there were also conditions associated with the end dates of projects, which needed to be completed by September 2011 to qualify for an extended renewal grant, and applications had to be submitted by the end of July 2010.

The College believed that there were projects which should qualify for the extended renewal grant: for example, in addition to the planned Clifden projects, the conversion of the sports hall to an LLDD specialist facility including classrooms and exercise facilities, and the relocation of the canteen from half of the main hall to nearby outbuildings: costs of these remained to be established, and an application would require the College to invest in architects' drawings and bills of materials. Those costs would not, however, be wasted, as the College planned to make those investments as part of its investment programme: a general estimate for the level of additional cost involved was c. £10K. The College recognised that enhanced renewal grants were available on a contested basis, but believed it was relatively well positioned: the projects were largely "shovel ready"; they met the Agency criteria; they were short-term; and the College was in a position to match the funding to the levels necessary.

The Governing Body expressed a concern that the College might be planning to "patch up" buildings which did not have a long-term future, but the Vice Principal (Finance & Corporate Services) reported that the projected investment in the sports hall (which was structurally sound) was already provisionally included in the College's plans, and had been recommended as such by the PMG, as had the relocation of the canteen, which would enable the provision of a flexible learning centre in the College Hall, including wi-fi access.

The Governing Body approved in principle the proposal to submit applications to the Skills Funding Agency for the renewal grant and an enhanced renewal grant, the details to be confirmed at the next meeting of the Governing Body.

JP

The Governing Body agreed that its next meeting should be held at Clifden, and be preceded by a short tour of the site to review the actual and planned improvements.

Clerk

8. IT INVESTMENT STRATEGY

The Governing Body noted that Viglen had been selected as the preferred supplier (subject to contract) in accordance with the selection criteria set out in the Invitation to Tender. The Governing Body further noted that the decision of the review panel had been unanimous, and was grateful to Mr Chris McLean (Vice Principal, North Hertfordshire College) who had served as an independent member of the review panel.

The Governing Body asked whether the provision of wi-fi was included in the project, to which the Vice Principal (Finance & Corporate Services) replied that it was included in the capital (as considered under item 9), but was not in scope for Viglen.

The Governing Body noted the progress report on the IT investment strategy.

9. COLLEGE BUDGET 2010/11 AND 3 YEAR FORECAST AND CAPITAL PLAN

The Vice Principal (Finance & Corporate Services) confirmed that the proposals had been considered in detail by the Finance & Resources Committee on 17th June 2010, which had recommended the proposed budgets and forecasts to the Governing Body. The 3-year forecast was required by the Skills Funding Agency, but the College recognised the difficulty of planning beyond the next financial year: outlooks beyond 2010/11 were based on general assumptions as to the levels and nature of government funding thought likely to be available.

The income figures for 2010/11 were largely based on confirmed figures, and assumed a higher proportion of in-house College delivery for Employer Responsive provision than had been the case in 2009/10. The College recognised the importance of the income from tuition and examination fees, which would require developments in marketing and the curriculum to achieve; the College had secured c. £90K of LSIS funding as a contribution to Other income.

Turning to expenditure, the Vice Principal (Finance & Corporate Services) reported that the savings in staff costs needed to maintain them at an acceptable percentage of turnover (65% - 68% would be ideal) had been achieved by the restructuring programme for 2010/11, and the College was prudently providing for further such costs in future years, in view of the lack of clarity on the funding arrangements for those years.

The Governing Body asked whether the forecasts factored in the effect of major changes

in the fees regime, to which the Vice Principal (Finance & Corporate Services) replied that a project was planned for 2010/11 to examine price sensitivity and implementing more micro-marketing to identify areas where higher fees could be sustained.

The Governing Body asked whether the College had good information on capacity and utilisation, to which the Principal replied that it did: the College would include in its market research the introduction of variable or scaled charges for leisure-type course, and needed to recognise that it was well provided with assets such as facilities, locations and cash at bank. The College remained committed to developing a wide income strategy, as reviewed at the Governors' development event in May 2010: the SMT would develop an operational plan for 2010/11 at its meeting on 3rd September 2010, and this would include provisions for developing and piloting new approaches to income generation. Progress would be reported to the September meeting of the Governing Body. The Vice Principal (Curriculum & Quality) added that all such proposals would need to be developed in the context of the teaching resources available to the College.

Principal

The Governing Body noted that the capital projections did not include recognition of any renewal grants as discussed under item 7.

The Governing Body approved the College budget 2010/11, the 3-year forecast and the capital plan.

10. FEES AND CHARGES FOR 2010/11

The Vice Principal (Finance & Corporate Services) reported that the main changes in the fees proposals since consideration by the Governing Body on 31st March 2010 were that the proposed fee for art studios/workshops were now £4 rather than £5, and that the rate for GCSEs/AS, A2 (units) was now £5 instead of £6. The proposed facilities charges had also been developed since the earlier meeting. All the amendments since the 31st March had been considered by the Finance & Resources Committee on 17th June, which had recommended the proposed fees and charges to the Governing Body.

The Governing Body noted that there was an increase of 30% in the hourly rate for Adult Safeguarded Learning, to which the Principal replied that this did not necessarily equate to a similar increase in the cost of a course, and reminded the Governing Body of the increase in fee assumption to 50% for 2010/11. She further stated that the fee increases needed to be seen in the light of the earlier discussions concerning reductions in government funding on the one hand, and the development of new delivery models on the other. She also reminded the Governing Body that the College offered a large number of courses that were free of any charge.

The Governing Body asked what was the average number of courses per student, to which the Principal replied that this was of the order of 1.5: demand still appeared to be high from people who were prepared to invest in themselves. The Governing Body suggested that this could be recognised practically by ensuring that follow-on information and guidance was embedded into the delivery of courses, especially free tasters.

The Governing Body asked whether the £10 charge for payment by instalments was sufficient to cover the costs of this facility, how many students took advantage of it, and what happened if a student paying by instalments stopped attending and cancelled the standing order. The Vice Principal (Finance & Corporate Services) replied that numbers were relatively small (c. 200 in a year), as the College did not offer very many long courses, and that any outstanding amounts were pursued, if necessary through the use of debt collecting agencies. The College suffered from only a very low level of bad debts (normally less than £5K per year).

The Governing Body decided that the fees and charges for 2010/11 should be kept under review if there proved to be signs of significant loss of income.

Subject to the above, the Governing Body approved the College fees and charges for 2010/11.

11. FINANCIAL REGULATIONS 2010/11

The Governing Body noted that references to the Skills Funding Agency should more properly be to the Chief Executive of Skills Funding throughout.

JP

Subject to the above, the Governing Body approved the Financial Regulations for 2010/11.

12. RISK MANAGEMENT

The Governing Body noted the risk management report.

13. REPORTS FROM THE COMMITTEES

The Governing Body noted the reports from the Committees.

The Governing Body approved the internal audit service needs analysis, audit strategy and plan for 2010/11.

The Governing Body gave its approval for RSM Tenon to invoice the College in advance for the work approved as part of the internal audit plan for 2010/11.

The Governing Body approved the financial statements audit strategy for 2010/11.

14. ANY OTHER BUSINESS

The Governing Body approved the appointments of Joanna Rutherford and Jane Fletcher as trustees of the Portcullis Trust.

In considering the decision of Robert Smith to resign as Chairman of the Portcullis Trust in September 2010, the Governing Body recognised that the Portcullis Trust was a body with considerable potential, and requested the Vice Principal (Curriculum & Quality) to present proposals for its development, initially to the Governing Body, and then for consideration by the trustees of the Portcullis Trust.

GF

This part of the meeting ended at 8:10 pm

The following items were considered in Part 2 of the meeting.

15. GOVERNORS' DAY CHRISTMAS CLOSURE

The Governing Body approved the closure of the College on 31st December 2010 as a Governors' Day.

16. GOVERNOR REAPPOINTMENTS AND APPOINTMENTS

[Rohini Bhattacharya and Sally Cole left the room.]

On the recommendation of the Search & Governance Committee, the Governing Body appointed Rohini Bhattacharya as a Staff Governor for a second term of one year, expiring on 31st July 2011.

On the recommendation of the Search & Governance Committee, the Governing Body appointed Sally Cole as an Independent Governor for a second term of four years, expiring on 31st July 2014.

[Rohini Bhattacharya and Sally Cole re-joined the meeting.]

On the recommendation of the Search & Governance Committee, the Governing Body appointed Ms Amanda Rowlatt as an Independent Governor for a four year term, expiring on 31st July 2014 and as a member of the Audit Committee for 2010/11.

The Governing Body noted that the Search & Governance Committee had interviewed three more strong candidates, and accepted the Committee's recommendation that further appointments should be made after the Committee had interviewed further candidates in time for the meeting of the Governing Body on 23rd September 2010.

The Governing Body requested the Clerk to speak to the three candidates already interviewed by the Search & Governance Committee, to assure them that their candidacy

Clerk

remained under active consideration.

17. GOVERNANCE MATTERS FOR 2010/11

The Governing Body approved the Committee membership for 2010/11.

The Governing Body asked that the Clerk should express its thanks to Mr Duncan Faircloth for his long service to the College as a non-Governor member of the Audit Committee: his attendance had been exemplary, and his contribution had been appreciated by Robin Jowit when he was Chairman of the Committee. The decision to find a replacement non-Governor member of the Audit Committee for 2010/11 was no reflection on Duncan or his contribution, but was made through a wish to accommodate new members on the Governing Body and its Standing Committees. Clerk

The Governing Body approved the programme of meetings for 2010/11.

The Governing Body reminded the Clerk that its September 2010 meeting was to be held at Clifden, rather than Parkshot. Clerk

CHAIR

After the meeting, the Chair on behalf of the Governing Body thanked Robin Jowit and Sylvester Olutayo (who had both resigned from the Governing Body) for their contributions to the governance of the College over several years. The Principal echoed these thanks on behalf of the College, presented them with a gift of flowers and a bottle of champagne. She also invited them to select a piece of College art as a memorial of their time as Governor of the College.