



Halesowen College

Minutes of the Full Corporation Meeting

held 26 March 2009

Present: Pam Thomas (*Chair*), Keith Bate (*Principal*), Corinne Crannage, Paul Downing, Andrew Hanson, Neil Hobson, George Kasper, Alison Perks, David Prain, Priya Sheridhar, Gloria Smith, Alan Taylor, Leslie Williams

In attendance: Jacquie Carman (*Director of Finance and Administration*)
Di McCathie (*Director of Student Services*)
Jennifer Sunter (*Clerk*)

• **Presentation: Safeguarding Children and Vulnerable Adults**

Di McCathie outlined for members a concise yet informative review of the current arrangements to safeguard children and vulnerable adults before detailing the new requirements under the Vetting and Barring Scheme.

Members discussed the current position regarding students on courses involving work placements including where a CRB check was required of the student and arrangements for checking the safety of each work placement.

Neil Hobson asked a number of questions regarding information and training relating to specific types of abuse and reported that the police authority had experts available to assist.

Gloria Smith commended the excellent training through the Dudley Safeguarding Board.

[Members agreed to take the Annual Report on Child Protection (including vulnerable adults) under agenda item 6 as the first substantive item of business].

1 Apologies

Apologies were received on behalf of Phil Osborne, Nicholas Ronan, Liane Purnell and Rebecca Miller.

2 Declarations of Interest

Gloria Smith declared her standing interest in relation to partnership working arrangements between the College and Prospects Services Limited.

3 Minutes of Meeting held 27 November 2008 and 10 January 2009 and Matters Arising

The minutes of the meetings held 27 November 2008 and 10 January 2009 were approved as a correct record.

There were no matters arising.

Annual Report on Child Protection (including vulnerable adults)

Gloria Smith and Di McCathie had reviewed the annual report before reporting to the Corporation on the procedures in place to provide a safe environment for children and young adults. Procedures included student safety as part of their induction, advice to students on work placements on who to contact if they had any concerns on health and safety or child protection issues, and guidance given to students on the requirement for CRB checks in relation to some courses. Di McCathie emphasised that the College continued to work to safe recruitment practices and to deploy staff awareness raising and staff training. Where identified appropriate action had been taken.

Andrew Hanson asked how staff in companies providing work placements were checked. Di McCathie outlined the arrangements and advised that most placements were with schools and hospitals.

Members further discussed staff student relationships and the law and guidance given to staff to avoid placing themselves in vulnerable positions.

The Corporation resolved to approve the Annual Report on Child Protection (including vulnerable adults) January 2009.

4 Recommendations from Audit Committee

Review of Risk Management Policy

Jacque Carman reported that as the College had well established risk procedures and was reaching risk maturity it was well placed to investigate risk appetite. Jacque Carman explained the detailed process undertaken. This had included the measurement of risks scored 12 or above against internal systems of control, the assessment of the College position as 'balanced' against given risk appetite descriptors and the consideration of risks remaining at or above the score of 12. Jacque Carman further explained the application of a traffic lights system which had resulted in one risk remaining within the 'red' category, that of funding and resource allocation which required continued rigorous monitoring.

Leslie Williams commended the report.

The Corporation resolved to approve the revised Risk Management Policy.

The Corporation further

- agreed that the determination of risk appetite be established as 'balanced';
- noted the risk plan and traffic light evaluation of risk and
- accepted the risks remaining outside the appetite.

Revised Freedom of Information Policy and Publication Scheme

Jacque Carman explained requirements of the new model publication scheme. Members noted that the policy had been updated to reflect this and that many of the documents were now available electronically.

The Corporation resolved to approve the revised Freedom of Information Policy and to endorse the adoption of the Model Publication Scheme and Guide to Information.

Appointment of Internal Audit Service Providers

Jacquie Carman explained that as the current providers were in the third year of their contract it had been appropriate to undertake a tender exercise, this had been done through the Crescent Purchasing Consortium. Of the three tenders received two tenders met the criteria specified and these companies gave presentations to the Audit Committee. The Audit Committee considered that RSM Bentley Jennison continued to demonstrate a clear knowledge of the sector and offered the right experience and mix of staff.

The Corporation resolved to appoint RSM Bentley Jennison to provide Internal Audit Services to Halesowen College for a period of three years commencing August 2009 based on the terms and conditions of their tender document.

5 Recommendations from Finance and Resources Committee

Revenue Budget Review 2008/09

Jacquie Carman presented the second review of the budget noting additional Learner Support Fund money for adult students and additional childcare support for students aged 20 or over.

Jacquie Carman reported reduced investment income due to falling investment rates and that the application for £250,000 to support capital costs to date was being pursued.

Members noted that the pay budget remained stable and would meet the forecast ratio. In relation to non pay increased premises costs for utilities and essential maintenance work to Block 0 were reported.

Jacquie Carman summarised that the College remained in a stable financial position and that risks to the budget remained the same. The College continued to forecast achievement of an operating surplus within the target range.

The Corporation resolved to approve the revisions to the Revenue Budget 2008/09.

Budgeting Policy

Jacquie Carman outlined the policy, timetable and key headings for budget setting for 2009-2010.

The Corporation resolved to approve the revised Budgeting Policy.

Loan Tender and Future Borrowing

Keith Bate reported that in light of changes to borrowing and investment arrangements both he and Jacquie Carman had met with Paul Oxtoby from Baker Tilly to consider the College's position.

Jacquie Carman reviewed for members the position relating to the revised loan offer from NatWest Bank. Members discussed the revised fixed and variable rates and the scheduled drawing down of the fixed rate portion of the loan. Members considered the recommendations were reasonable within context and represented a balanced risk.

Members further discussed the revised Treasury Management Policy. in particular the need to spread risk across more than one institution.

The Corporation resolved to approve

- that the new borrowing of up to £2.5m is still placed with NatWest; 50% at a variable rate of 1.5% above three month LIBOR and 50% at 1.5% plus the fixed rate option (based on indicative market conditions).
- that £1.25m be drawn on 27 March 2009 at the 20 year fixed rate provided that the fixed rate was 4.1% or lower making the maximum cost of borrowing 5.6% (4.1% plus 1.5% margin).
- that existing loans are not re-financed at this time.

The Corporation further resolved to:

- Accept the current level of risk associated with treasury management in the present economic climate and acknowledge that by changing the current practice this may increase. The established risk management procedures be followed if the levels of risk escalates outside the risk appetite.
- In order to spread investment risk and seek best value three bank accounts be established with three approved alternative institutions; Barclays Bank, Co-operative Bank and Lloyds Bank/Bank of Scotland in accordance with College Financial Regulations. The purpose of these accounts to be used to invest projected available cash on the money market. No more than 25% of total funds may be invested in an approved alternative institution. All residual funds shall be deposited with the College appointed commercial banker.
- A report be presented to each Finance and Resources Committee showing the College's investment portfolio including details of institutions where the funds are placed, value and length of investment and interest earned.
- approve the revised Treasury Management Policy.

6 Recommendations from Performance Review Committee

Retention and Achievement targets for Full-time Courses 2008/09

Keith Bate presented an updated report on proposed student retention and achievement targets. Keith Bate explained the work undertaken to track and review the targets.

Leslie Williams asked for clarification of the basis for setting a specific course target. Keith Bate explained that previous course rates and specific knowledge about delivery underpinned the setting of targets. Review meetings with staff enabled tracking of issues and the potential to share good practice. Keith Bate emphasised that the target setting formed part of the Quality Assurance process in raising performance and retention.

The Corporation resolved to approve the Retention and Achievement targets for Full-time Courses 2008/09.

Quality Assurance Policy

Keith Bate presented the Quality Assurance Policy which provided an overview of the arrangements and the strategic planning and accountability cycle.

The Quality Assurance Policy was received.

Value Added Report

Keith Bate presented the Value Added Report as recommended by the Performance Review Committee and outlined the four value added models including the College performance ratings within their particular systems. Members received the report noting some outstanding levels of performance.

David Prain left the meeting.

7 LSC Capital and Revenue Funding 2009/10

Keith Bate reported on the current position relating to LSC revenue and Capital Funding.

Members were advised that allocations for both 16-18 and 19+ were awaited, although additional learner support funds had been allocated. Train to Gain contracts were likely to be capped.

Keith Bate explained that a Foster Review of Capital Funding had been commissioned. The College should receive agreed LSC contributions for the current building of Block 8, but it may be unlikely that the College would receive capital support for continued development in the short term. There would be a clearer picture on capital grants from the government by September 2009. Keith Bate informed members that he and Jacquie Carman had discussed the position regarding further capital development with Paul Oxtoby of College external auditors Baker Tilly with reference to potential use of College reserves. College property advisers had been requested to provide a rough outline for building Block 9 for further consideration. Members noted the position to be updated in the summer.

Alan Taylor left the meeting.

8 Partnership Developments

Keith Bate reported that diploma delivery was progressing well with partner schools.

Keith Bate further reported that as part of St Michael School's consideration of trust or academy status they had requested that the college put forward a nominee for one of three new governor positions.

With regard to Higher Education, Keith Bate outlined a bid to HEFCE from Newman University College to fund a Higher Education Centre in Halesowen.

The update was received.

9 Preparing for Economic Prosperity (PrEP)

In light of the economic downturn and Halesowen College's strategic responsibility for economic and social wellbeing, governors recognised the importance of reflecting on what the College could do as a public body.

In consulting with staff there had been an awareness of students spending less money at College and increased applications to higher education.

Keith Bate explained that the College was aware of the lack of jobs available for level 2 and 3 students upon completion of their courses. Therefore the College would review provision and pathways to assist students with job skills and broadening of their portfolios. This would constitute a shift from the usual vertical progression routes to broadening programmes to support and maintain engagement and continued development.

Keith Bate explained that local higher education programmes continued to be developed and current arrangements supporting access to both further and higher education were being extended.

Members further recognised that the College was now one of the largest employers and as such was considering ways of extending apprenticeship places, increasing volunteer opportunities and extending pathways to teaching, assessing and supporting learning.

Keith Bate reported that any activities would have to be achieved within existing budgets as it was unlikely that further funding would be provided.

The Corporation resolved to adopt the strategies outlined in the report Preparing for Economic Prosperity for the College to support the economic downturn as it affects Halesowen.

10 Strategic Planning Key Performance Indicators

Keith Bate reported on a range of indicators within the quality and planning framework to measure improvements and referred members to the opportunity to consider performance in relation to Transformational Projects at the meeting scheduled for May 2009.

Leslie Williams suggested the inclusion of performance measures. Keith Bate agreed that future reports should contain current levels and targets.

Action: Keith Bate

The report was received.

11 Financial Help for Students

Jacque Carman presented the revised policy which drew together all strands of student support noting that the commitment of the College to help students was becoming increasingly important.

Alison Perks asked if the uptake of support had increased. Jacquie Carman responded that though overall support was similar each year, in the previous year more awards had been made across more students. In the current year a lower level of grant provision from the Learning and Skills Council had been received.

In response to questions on financial management of learner support funds Jacquie Carman outlined the different streams of support including EMA, Care to Learn transport grants and the Learner Support Fund. Keith Bate noted that this linked to the College charity, working to provide further opportunities to support students.

Keith Bate also noted the resource commitment from the government in the provision of the EMA which was supporting many young people in learning.

The Corporation resolved to approve the Financial Help Policy.

12 Confidential Papers

The Clerk reported the contents of the Confidential File and recommended the removal of two items pertaining to Financial Planning 2007/2008 and Staff Pay Award 2008/2009.

The Corporation resolved to authorise the removal of documents from the confidential file.

13 Minutes

Search and Governance Committee: 10, 24, 29 January 2009

The Corporation resolved to receive the minutes of the Special Search and Governance Committee of 10 January 2009 and the resolution therein; the resolution being:

Member Appointments

The Search and Governance Committee resolved to recommend to the Corporation the appointment of Alan Taylor for a period of four years commencing January 2009 subject to set eligibility clearance.

The Corporation resolved to receive the minutes of the Special Search and Governance Committee of 24 January 2009 and the resolution therein; the resolution being:

Member Appointments

The Search and Governance Committee resolved to recommend to the Corporation the appointment of Gloria Smith to Halesowen College Corporation for a period of four years commencing January 2009 subject to set eligibility clearance.

The Corporation resolved to receive the minutes of the Search and Governance Committee of 29 January 2009.

• Audit Committee: 10 February 2009

The Corporation resolved to receive the minutes of the Audit Committee of 10 February 2009 and the recommendations and resolutions therein, the resolutions being:

Internal Audit Reports Action Plan Update

The Audit Committee resolved to receive the progress report on Internal Audit Action Plans and authorised the removal of closed items from the list.

Bentley Jennison Internal Audit Reports

The Audit Committee resolved to accept the Internal Audit Reports on Governance 01.08/09 Governance Thematic Review; Framework for Freedom of Information Act Compliance 02.08/09; Registers 03.08/09; Progress Report; Follow Up 04.08/09; Capital Projects 05.08/09.

External Auditor

The Audit Committee received the report and approved that there be no changes to the Performance Indicators for External Audit 2008/2009.

Risk Management

The Audit Committee resolved to

- recommend to Corporation that the risk appetite be determined as 'balanced';
 - note the risk plan and the new traffic light evaluation of risk;
 - accept the risks remaining outside the risk appetite;
- approve of the revised Risk Management Policy.

Freedom of Information Policy

The Audit Committee resolved to recommend to Corporation the adoption of the Model Publication Scheme be endorsed and that the revised Freedom of Information Policy be approved.

Financial Management and Control Evaluation

The Audit Committee note the revised Financial Management and Control Evaluation Form.

Proposal for Appointment of Internal Auditors

The Audit Committee resolved to recommend to Corporation RSM Bentley Jennison as the preferred provider of Internal Audit Services to Halesowen College for a period of three years commencing August 2009 based on the terms and conditions of their tender document.

• Finance and Resources Committee: 4 March 2009

The Corporation resolved to receive the minutes of the Finance and Resources Committee of 4 March 2009 and the recommendations and resolutions therein, the resolutions being:

Single Equality Scheme

The Finance and Resources Committee resolved to approve the updated Single Equality Scheme.

Review of Revenue Budget 2008/09

The Finance and Resources Committee resolved to recommend to Corporation the approval of the revisions to the Revenue Budget 2008/2009.

Review of Budgeting Policy

The Finance and Resources Committee resolved to recommend to Corporation the approval of the revised Budgeting Policy.

Tuition Fees and Fee Remission Policy 2009/10

The Finance and Resources Committee resolved to

- agree the proposed rates per course hour for LSC funded courses.

- approve the Tuition Fees and Fee Remission Policy 2009/10 including the introduction of the Progression Pathway Bursary

approve that the College apply for a Credit License to offer instalment plans as outlined in the policy.

Treasury Management and Investment

The Finance and Resources Committee noted the update and difficulties in making progress with identifying investment options and resolved to

- accept the current level of risk associated with treasury management in the present economic climate and acknowledge that by changing current practice this may increase, noting that the College has established risk management procedures to be followed if the levels of risk escalates outside the risk appetite.
- approve that the Director of Finance and Administration should continue to explore options and share this information with the Chair of the Committee.
- endorse that the Director of Finance and Administration seeks the advice of the College's external auditors on this matter.
- agree that the Treasury Management Policy be revisited and kept under review.
- agree that proposals be considered at the next meeting or that a special meeting of the committee be called if required.

Loan Tender and Future Borrowing

The Finance and Resources Committee recommend to the Corporation that the College enter into the following arrangements with NatWest for the borrowing of up to £2.5m in accordance with existing borrowing approval from the Learning and Skills Council:

- £1.25m at a variable rate of 1.5% above three month LIBOR
- £1.25m at a fixed rate option based on 1% above the 20 year fixed rate at the point of borrowing

It was further resolved that it be recommended to the Corporation that existing fixed rate loans held by the Corporation be refinanced at the same rate as the new fixed rate loan should this facility be available from NatWest and it be more advantageous than existing terms.

Review of Procurement Policy and Standing Orders Relating to Contracts

The Finance and Resources Committee resolved to approve the revised Procurement Policy and Standing Orders Relating to Contracts.

- **Performance Review Committee: 12 March 2009**

The Corporation resolved to receive the minutes of the Performance Review Committee of 12 March 2009 and the recommendations and resolutions therein, the resolutions being:

Quality Assurance Policy

The Performance Review Committee resolved to approve the policy. It was further recommended that it be put to the Corporation for information.

Retention and Achievement Targets

The Performance Review Committee resolved to recommend to Corporation that the report be updated with current performance on retention and achievement targets.

Child Protection Annual Report

The Performance Review Committee resolved to recommend to Corporation the approval of the Annual Report – Child Protection (including Vulnerable Adults).

14 Any other business

Keith Bate reported that the College had not yet received any notification of an Ofsted inspection.

15 Date of next meeting

The next meeting is scheduled for 16 May 2009.

Closed: 8.15pm