



Halesowen College

Minutes of the Full Corporation Meeting

held 26 November 2009

Present: Pam Thomas (*Chair*), Phil Osborne (*Vice Chair*), Keith Bate (*Principal*), Duncan Bryson, Andy Comyn, Corinne Crannage, Paul Downing, Andrew Hanson, Neil Hobson, Alison Perks, Alison Shipway, Claire Smith, Gloria Smith, Daniel Willetts

In attendance: Jacque Carman (*Director of Finance and Administration*)
Jennifer Sunter (*Clerk to the Corporation*)

1 Apologies

Apologies were received on behalf of Liane Purnell, Leslie Williams and Alan Taylor.

2 Declarations of Interest

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

The Clerk declared the appointment of her husband Tim Sunter, to the Corporation of Stourbridge College.

3 Minutes of Meetings held 9 July 2009 and Matters Arising

The minutes of the meeting held 9 July 2009 were approved as a correct record. There were no matters arising.

4 Recommendations from Search and Governance Committee

Appointment of Members

The Clerk reported on the work of the Search and Governance Committee regarding the search process with consideration of the skills and experience of prospective governor Andy Comyn and review of contribution, skills and experience of Leslie Williams.

The Clerk also reported on the outcome of the staff governor election process which had also been reported to the Search and Governance Committee.

The Corporation resolved to appoint as members of Halesowen College Corporation:

- Andy Comyn for a period of four years commencing November 2009.
- Corinne Crannage and Duncan Bryson as Staff governors for a period of two years commencing November 2009.

and to reappoint

- Leslie Williams for a period of four years commencing December 2009 subject to set eligibility clearance.

Search and Governance Committee Annual Report

The Clerk presented the annual review outlining the work of the Search and Governance Committee particularly in relation to the search and appointment process.

In considering the terms of reference the committee members proposed inclusion of the committee's role in the overview of governance arrangements.

The Corporation resolved to approve the Search and Governance Committee Annual Report 2008/2009.

Corporation Committee Membership

Members noted the revised table of Corporation and Committee membership.

Corporation Self Assessment Report 2008/09

The Clerk placed the Corporation Self Assessment Report within the context of the College Assessment and reporting process, the results of inspection from Ofsted, and the Provider Financial Assurance and achievement of clean Internal Audit reports including favourable benchmarking.

The report highlighted seven key strengths and four areas for improvement to be added to a development plan.

Members discussed the application of an assessment grade for governance. Keith Bate indicated that many of the College activities would achieve a self assessment of grade 2. Gloria Smith noted that there were areas for improvement. Andy Hanson and Neil Hobson felt that in considering the grade descriptors for governance in May 2009 the Corporation met the grade 1 profile and though still striving for continuous improvement the grade should still be judged as 1.

Members further debated this and self assessed as grade 1.

The Clerk reported on the work of the Search and Governance Committee to find a new more participative and self reflective model for Corporation self assessment. This had resulted in a proposal for the Search and Governance Committee to lead a self assessment activity at the Corporation residential.

The Corporation resolved to approve the Self Assessment Report 2008/2009 and further approved to undertake a self assessment process at the Corporation residential in January 2010.

5 Recommendations from Audit Committee

External Audit Findings Report Year Ended 31 July 2009

Jacque Carman presented the report from Baker Tilly as recommended by the Audit Committee which addressed the audit findings in relation to the Financial Statements and annual regularity work.

The report concluded that there were no areas of weakness and no concerns on internal control processes or regularity noting that an unqualified audit opinion would be given.

The Corporation resolved to accept the Baker Tilly Audit Findings year ended 31 July 2009, noting the opinion that a thorough and robust audit had been carried out, that reliance was placed on the work of the internal auditors and that there were no areas of internal control or weakness to be formally reported to the Audit Committee arising from the audit work.

Internal Audit Service Annual Report Year ended 31 July 2009

Jacque Carman presented the annual report of Bentley Jennison as internal audit service providers for the College. The primary purpose of the report was to provide the Corporation and the College management with assurance on the adequacy and effectiveness of governance and control arrangements.

Jacque Carman drew attention to the revised format of the Internal Audit Assurance Statement where the College had achieved 'green lights' under a traffic lights system which constituted the highest level of assurance awarded.

The Corporation resolved to approve the RSM Bentley Jennison Annual Report of the Internal Audit Service for Halesowen College noting the Overall Opinion that:

For the twelve months ended 31 July 2009, based on the work we have undertaken, our opinion regarding the adequacy and effectiveness of Halesowen College's arrangements is as follows:

- Governance – Green
- Risk Management – Green
- Control - Green

Audit Committee Annual Report Year ended 31 July 2009

The Clerk presented the report which had been written with reference to the work of both the Internal and External Audit providers. The report outlined the work undertaken by the Committee to give an opinion on the effectiveness of the College processes for governance and to manage risk. The report further provided an overview of Audit Committee arrangements and scope of areas considered including consideration of the Corporate Governance and Internal Control Statement.

The Corporation resolved to accept the Audit Committee Annual Report 2008/2009 noting the opinion of the Audit Committee being satisfied that 'the College processes for risk management, control and governance are effective and that there are no significant issues of concern.

Risk Management Annual Report 2008/2009

The annual review considered the College approach and work undertaken for 2008/2009. Jacque Carman reported that the risk register linked to the Functional Plans and explained the system developed to measure risk. Within the year significant work had been done including the assessment of risk appetite, review of the Major Incident and Disaster Management Plan and revisions to the Treasury

Management Policy.

In looking forward Jacquie Carman noted that there were an increased number of higher level risks linked to uncertainties in the political landscape.

Internal Audit had reviewed the risk management procedures and determined that they were effective.

The Corporation resolved to accept the Risk Management Annual Report 2008/2009 noting the overall conclusion that 'the College's internal control system and risk policy/procedures are effective'.

Risk Register 2009/10

Jacquie Carman reported primarily on the risks identified as remaining outside the risk appetite of the College. Such risks were reconsidered in light of the controls in place to mitigate them resulting in a revised net risk score. Some risks could not be controlled entirely. The primary risk was noted as that of adverse financial impact due to new funding arrangements.

The Corporation resolved to approve the Risk Register and Risk Plans 2009/10.

Review of Anti Fraud Policy and Response Plan

The Anti-Fraud Policy and Response Plan had been revised to reflect best practice and legal changes and had been undertaken in consultation with College solicitors. The revision clarified the process for reporting fraud with links to the College Whistleblowing Policy, which had been highlighted to staff, and to the College discipline structure. Other notable changes included new guidance to not attempt interviews under the Police and Criminal Evidence procedure due to the potential to jeopardise police activity.

The Corporation resolved to approve the Anti-Fraud Policy and Response Plan.

Financial Management and Control Evaluation (FMCE)

Jacquie Carman presented the completed assessment questionnaire describing the revisions to the format for 2009/2010 with a summary of effectiveness under each section. All areas were assessed as 'outstanding'.

Keith Bate noted that this position had been externally validated through the opinion of the Provider Financial Assurance Team.

The Corporation resolved to approve the Financial Management and Control Evaluation.

6 Recommendations from Audit Committee and Finance and Resources Committee

Annual Members Report and Financial Statements 2008/2009

Jacquie Carman presented key points of the Financial Statements including an operating surplus of £932,000 within the projected budget forecast, pay in

accordance with budget and strong liquidity. Jacquie Carman drew members' attention to the increase in the College's tangible fixed assets with the completion of Block 8.

In presenting the Annual Members Report, Jacquie Carman referred to the strategic priorities and transformational projects, current and future developments and risk before referring members to the Statement of Corporate Governance and Internal Control to be signed on behalf of the Corporation.

Members noted the unqualified audit opinion from the External Auditors, Baker Tilly.

Jacquie Carman clarified for Duncan Bryson the budget setting process in particular the basis for surplus and liquidity with targets agreed and monitored by the Finance and Resources Committee.

The Corporation resolved to approval of the Annual Members Report and Financial Statements 2008/2009 (including the additional disclosure) and that the Statement of Corporate Governance and Internal Control be signed by the Chair and the Principal.

Halesowen College Enterprises Ltd Annual Accounts and Directors Report 2008/2009

Jacquie Carman presented the accounts which had also been consolidated into the College accounts. The operational profit of £21,597 had been covenanted to The Halesowen Foundation.

In comparing the outturn performance with that of previous years the reduction was noted in relation to the macroeconomic conditions affecting all trading activity across the College.

The Corporation resolved to approve the Halesowen College Enterprises Directors Report and Financial Statements 2008/2009.

7 Recommendations from Finance and Resources Committee

Revenue Budget 2009/2010

The first review of the current year's budget was considered noting that the forecast operational surplus remained in accordance with the budget model. The key risks remained unchanged with a balanced budget overall.

Jacquie Carman explained that the budget would need to be reviewed in the current year because of the part demolition of Block 0 to reflect the adjusted value of the building but that this would not impact on the financial ratios.

Jacquie Carman reported on a further bid to the Learning and Skills Council for additional 16-19 funding and Train to Gain funding up to March 2010.

Members noted the increased cost pressures for learner resources and student welfare and additional premises costs including increased cleaning.

Phil Osborne asked if the pay budget reflected all staff vacancies. Jacquie Carman explained the pay budget model in relation to a full establishment of permanent roles and deployment of sessional staff.

Neil Hobson asked if the College was reaching a 'pinch-point' where governors would need to make key decisions. Jacquie Carman responded that pay matched the level of work to accommodate student enrolments and remained in the target range for pay as a percentage of budget but this did require close monitoring. Keith Bate noted that the Corporation would be considering future strategic planning in January 2010.

The Corporation resolved to approve the revisions to Revenue Budget.

Accommodation Strategy

Within the annual review of the strategy, members considered the accommodation needs. Overall space utilisation was good with increased teaching space and a reduction in space taken by business support, however the calculations for the short and medium term revealed the need for more space which supported the College strategy.

The historical position regarding capital build was reviewed before consideration of preferred options and progress to move the accommodation strategy forward.

The Corporation resolved to approve the Accommodation Strategy.

8 Capital

Keith Bate reported on progress made with plans for Block 9 in relation to Learning and Skills Council consent for development and borrowing, planning permission and the tender process. Keith Bate further reported on the consideration of additional accommodation to ease accommodation pressures especially during a period of demolition and new build.

Members agreed to hold a special meeting of Finance and Resources Committee on Friday 11 December at 5pm and a special meeting of the Corporation on Monday 14 December at 6pm.

Action: Clerk

The report was received.

9 Post Inspection Action Plan

Keith Bate presented the Post Inspection Action Plan which included actions for the key areas to be improved and a further section responding to themes that the College identified as a thorough response to the Ofsted inspection report.

The Corporation resolved to adopt the Post Inspection Action Plan and referred it to the Performance Review Committee for monitoring.

10 Strategic Priorities and Plans 2009/2010

Keith Bate reported that the overall risk assessment cycle required senior staff to consider the College performance in relation to Strategic Priorities.

Three areas of concern arose from this process. Funding in relation to adult learners, in particular uncertainty over Train to Gain funding after March 2010 had resulted in a downsizing of the Train to Gain team and redeployment of staff. Future increased competition required consideration regarding impact on collaborative relationships and further consideration of alternative accommodation might be required in relation to the accommodation strategy.

The report was received.

11 Functional Plans

Keith Bate presented the Functional Plans which constituted the business and improvement plans for cross College development in relation to the Strategic Priorities and Transformational Projects.

In looking to the detail of area targets, Alison Shipway asked for clarification in how these were measured. Keith Bate explained that each strategy had underpinning documents for each area which had targets used and monitored by managers. The plans were used in the appraisal process for senior staff and cascaded down through their staff.

The report was received.

12 Partnerships

Keith Bate reported on the development of collaborative partnership working including new relationships in progress.

The School Collegiate work with both Earls High School and Leasowes Community College had been well established in September 2009 and there had been keen interest at the College Open Day in November 2009.

Constitutional issues with The Halesowen Trust had raised concerns which the Trust had met to consider.

With particular reference to Higher Education, Keith Bate reported on a complex enrolment issue with a partner provider which senior managers were working to address. A degree of concern over Higher Education enrolment numbers linked with reductions in government funding for future years was noted.

The report was received.

13 Higher Education Strategy

Keith Bate explained that over recent years the College had developed progression pathways for students in conjunction with established providers and that it was timely to have the aims and objectives formally recorded in a rationale and strategy that fitted the College profile.

Members noted the current extent of provision at Foundation Degree and equivalent level qualification and the current profile of Halesowen College student progression into Higher Education.

14 Minutes

• Audit Committee: 29 September 2009

The Corporation resolved to receive the minutes of the Audit Committee held 29 September 2009 and the resolutions therein; the resolutions being:

Progress Report on Audit Action Plans

The Audit Committee resolved to receive the Progress Report on Internal Audit Action Plans (29/09/09) and authorised the removal of closed items from the list.

RSM Bentley Jennison Internal Audit Reports

The Audit Committee resolved to accept the Internal Audit Reports on Risk Maturity (09.08/09), Pensions (10.08/09) and Salary Sacrifice and Staff Loan Schemes (11.08/09) and the management response to them.

Annual Report of the Internal Audit Service

The Audit Committee resolved to recommend to Corporation the approval of the RSM Bentley Jennison Annual Report of the Internal Audit Service for Halesowen College noting the Overall Opinion that:

For the twelve months ended 31 July 2009, based on the work we have undertaken, our opinion regarding the adequacy and effectiveness of Halesowen College's arrangements is as follows:

- Governance – Green
- Risk Management – Green
- Control - Green

Risk Register 2009/10

The Audit Committee resolved to recommend to Corporation the approval of the Risk Register and Risk Plans for 2009/10.

Anti Fraud Policy Review

The Audit Committee resolved to recommend to Corporation the approval of the revised Anti-Fraud Policy and Response Plan.

• Search and Governance Committee: 8 October 2009

The Corporation resolved to receive the minutes of the Search and Governance Committee held 8 October 2009 and the resolutions therein; the resolution being:

Governor Recruitment

The Search and Governance Committee resolved to recommend to Corporation:

- The appointment Andy Comyn to Halesowen College Corporation for a period of four years commencing December 2009 subject to set eligibility clearance.
- The reappointment of Leslie Williams for a period of four years commencing December 2009.

Search and Governance Committee Annual Report

The Search and Governance Committee resolved to recommend to Corporation the Committee's Annual Report and that the Committee Terms of Reference be revised to

include its role regarding corporate governance.

Succession Planning

The Search and Governance Committee resolved to recommend to Corporation that Leslie Williams be appointed to the Audit Committee and that Andrew Hanson be appointed as the Audit Committee Chair.

Self Assessment Report and Development Plan

The Search and Governance Committee resolved to recommend to Corporation the approval of the Self Assessment Report.

Self Assessment Models

The Search and Governance Committee resolved to recommend to Corporation that the Committee lead a self assessment activity at the Corporation Residential in January 2010.

• **Audit Committee: 3 November 2009**

The Corporation resolved to receive the minutes of the Audit Committee held 3 November 2009 and the resolutions therein; the resolutions being:

Halesowen College Audit Findings Report for Year Ended 31 July 2009

The Audit Committee resolved to recommend to Corporation the acceptance of the Baker Tilly Audit Findings year ended 31 July 2009, noting the opinion that a thorough and robust audit had been carried out, that reliance was placed on the work of the internal auditors and that there were no areas of internal control or weakness to be formally reported to the Audit Committee arising from the audit work.

Annual Members Report and Financial Statements 2008/2009

The Audit Committee resolved to recommend to Corporation the approval of the Annual members Report and Financial Statements 2008/2009 (including the additional disclosure) and that the Statement of Corporate Governance and Internal Control be signed by the Chair and the Principal.

Halesowen College Enterprises Ltd Directors Report and Financial Statements 2008/2009

The Audit Committee resolved to recommend to Corporation the approval of the Halesowen College Enterprises Directors Report and Financial Statements 2008/2009.

Audit Committee Annual Report 2008/2009

Members resolved to recommend to Corporation the Audit Committee Annual Report 2008/2009.

Progress on Internal Audit Action Plans

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

Performance Indicators Internal Audit Service

The report was received and the Performance Indicators for the Internal Audit Service provision for 2009/2010 were approved.

Risk Management Annual Report

The Audit Committee resolved to recommend to Corporation the Risk Management

Annual Report 2008/2009.

Financial Management and Control Evaluation

The Audit Committee resolved to recommend to Corporation the approval of the completed Financial Management and Control Evaluation 2009.

• Finance and Resources Committee: 11 November 2009

The Corporation resolved to receive the minutes of the Finance and Resources Committee held 11 November 2009 and the resolutions therein; the resolutions being:

Annual Members Report and Financial Statements 2008/2009

The Finance and Resources Committee resolved to recommend to Corporation the approval of the Annual Members Report and Financial Statements 2008/2009 and that the Statement of Corporate Governance and Internal Control be signed by the Chair and the Principal.

Halesowen College Enterprises Ltd Directors Report and Financial Statements 2008/2009

The Finance and Resources Committee resolved to recommend to Corporation the approval of the Halesowen College Enterprises Directors Report and Financial Statements 2008/2009.

Revenue Budget 2009/2010

The Finance and Resources Committee resolved to recommend that the revisions to Revenue Budget be approved.

Students Union Annual Accounts 2008/2009

The Finance and Resources Committee noted the Students Union Annual Accounts 2008/2009 and approved the payment of the Annual Grant of up to £4,000, authorising the Principal to action the payment of resources based on recommendation of the Director of Finance and Administration following the audit of the final accounts.

Treasury Management/Investment Interest

The Finance and Resources Committee resolved to approve the revised Appendix A of the Treasury Management Policy.

Financial Targets

The Finance and Resources Committee considered the performance against College financial targets and resolved to approve the Financial Targets for 2009/2010.

Accommodation Strategy

The Finance and Resources Committee resolved to recommend to Corporation the approval of the Accommodation Strategy.

Committee Terms of Reference

The Finance and Resources Committee resolved to recommend to Corporation that the Finance and Resources Committee terms of reference increase the membership stipulations to read 'at least four other members' in addition to the Chair, Vice Chair and Principal.

• **Performance Review Committee: 17 November 2009**

The Corporation resolved to receive the minutes of the Performance Review Committee held 17 November 2009.

15 Any Other Business

There was none.

16 Date of Next Meeting

Meetings are scheduled for 14 December 2009, 15/16 January 2010, 25 March 2010.

Closed: 7.30pm