



**Minutes of the Meeting of the Board held on
Tuesday 8th July 2008 at 5.00 p.m.
at the College.**

Present:

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|--------------------------|-----------------------|
| Dr G. Hillier | (Chair) |
| Mr J. Coulthard | (Vice-Chair) |
| Mr F. Connorton | |
| Mr R. Darling | |
| Cllr R. Goddard | |
| Mr G. Groom | (Principal Governor) |
| Mr G. Flanagan | |
| Rev. B. Harrison | |
| Mr R. Johnson | |
| Cllr J. Keenan | |
| Mr P. Nightingale | (Foundation Governor) |
| Mr. A. Percival | (Student Governor) |
| Mr G. Ritchie | |
| Miss P. Rutherford | (Foundation Governor) |
| Mr P. Smith | (Staff Governor) |
| Dr. D. Trebilco | |
| Mr G. Watts | (Staff Governor) |
| Mr R. Weston-Bartholomew | |

Apologies for absence:

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|-----------------|--------------------|
| Mr C. Brayfield | (Student Governor) |
| Mr S. Childs | |
| Prof S. Hodgson | |

Officers:

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|----------------------|---|
| Mr D. J. Stevenson | (Professional Assistant/Clerk to the Board) |
| Miss D. A. McFarlane | (Deputy Principal) |

The meeting was quorate throughout.

PART A – FOR PUBLICATION

2214 Declarations of Interest

The Principal, Deputy Principal and Professional Assistant declared an interest in parts of the Minutes of the Remuneration Committee (item 2228) and withdrew from the meeting at the appropriate time. Gary Watts declared an interest in that part of the Minutes of the P & N Committee (item 2227) relating to the appointment of a support staff governor, and withdrew from the meeting at the appropriate time. George Ritchie declared an interest in item 2221 and withdrew from the meeting for that item. No other interests were declared in respect of this agenda.

2215 Focus on Employer Engagement

Heather Baxter made a presentation to the Board on Employer Engagement in which she reported on the significantly increased profile of Employer Engagement, and provided detailed information in respect of apprenticeships (including young and 25+ schemes); Entry 2 Employment; Elite programmes, (via Connexions); Train 2 Gain; and the Tees Valley Workforce Development. LSC targets, numbers of participants and achievement positions were identified opposite EACH sector of activity. The priorities for 2008-09 were noted, and the discussion included reference to access through trade union learning representatives and a NEPIC contact. Heather was thanked for her presentation.

2216 Minutes of the Board meeting held on 20th May 2008

The Minutes of this meeting were approved and signed as a correct record.

2217 Matters arising from previous meetings

2135 (iii) Official Opening

The Principal reported that there had been no further progress in these arrangements. Possible arrangements for an 'unofficial' opening were discussed.

Action: Principal to up-date

2203(ii) Governor Familiarisation Meetings

The Principal reported that he would make arrangements early in the new term for these meetings to begin.

Action: Principal

2218 Report of Chief Executive/Principal

(i) Health & Safety

There were no reportable incidents during the reporting period. There were two minor/non-reportable incidents identified, and five 'near miss' incidents. The report also updated previous issues. There were no accidents in the 14-16 age group. There was a discussion concerning the existence and the following of procedures.

The report was noted.

ii) Briefings and Actions

The Principal reported on the Enterprise Training plans and the securing of a £10,000 grant; on student successes in Skill Build; and on a Special Projects Advisory Group for Engineering

iii) Financial Report

A summary of the current position as at 30th April 2008 was provided, together with detailed explanatory notes. A positive income variance of some £373k was offset by a negative expenditure variance of some £273k. Higher Education and Work-Based learning income has exceeded target. Payroll is forecast to be on budget inclusive of making the 3% pay award. There would be no clawback, which would have a beneficial effect of the order of £0.5m.

iv) Marketing & Recruitment

In respect of 2007-08 to date, the 16-18 full-time numbers have recruited at 98% of target, and the part-time at 135%, with an overall position of 93%. The respective figures for 19+ are 73% and 62%, and an overall position of 71%. There had been some improvement in the Summer term adult recruitment, though with a small f.t.e. effect. In 2008-09 there will be an attempt to increase adult learner uptake by offering more provision within the community. The College was likely to reach its financial targets though not its student enrolment targets, as a result of increasing the number of work-based learners. An early indication of enquiries and applications for 2008-09 was included, listed by feeder school, and by College division. Applications at this stage showed an increase on the previous year, from 1123 to 1285. Particularly with regard to the new build, there was the possibility of late enrolments when the premises were open. There was also a discussion on the timing of the issue of the prospectus and associated fee structure.

v) Retention & Achievement

Retention for 2007-08 stands at 89%, with retention rates for long courses at 86%, against a benchmark figure of 81%, an improvement from the previous year (77%). In-year retention rates are above the outturn retention rates of the previous year, and are in the top decile of colleges nationally, using the 'inflated benchmarks' for 2006-07.

vi) Staff Utilisation

The predicted substantive salaries out-turn for payroll expenditure currently stands at the original budgeted value of £7.585m included the higher than anticipated pay award.

vii) Progress against Development Plan

A detailed report was circulated dealing with the 14-19 age group; Enterprise; Citizenship/tutorial provision; Skills for Life; Target Sectors and Employer Groups; Higher Skills; Quality; Retention & Achievement; Skills for Life; Distribution of Learning; Business Viability; and Brand Image.

viii) Franchising

The monetary value of the contract with **TTE** has been exceeded. It is likely that the provision will be reduced in 2008-09, with the College seeking therefore to make good in its own recruitment the reduction of franchise numbers. The College is also applying to TTE for additional BTEC programmes, which will be the subject of a Service Level Agreement.

Two small **Train 2 Gain** contracts to the value of £112k had been let and were being monitored. No additional contracts have been let.

The Report of the Chief Executive & Principal was discussed and noted, with any actions as shown against each item.

2219 Collaboration and Co-operation – Update

This Minute is not for publication and is included in Part B

2220 Accommodation - new build - update

A circulated report indicated that progress continues to be made allowing for the College to open on 15th September 2008. This date can only be met provided that there are no further major changes. The current cost plan shows an overspend variance, with an expectation that this may be reduced. Attached to the report was a detailed costing analysis.

There were also discussions on issues regarding the preparations needed to initiate the development of Phase 2 in conjunction with the University of Teesside. An outline proposal was considered, and the mechanisms for the sale of further land at Redcar Lane, in consultation with the Sir William Turner Trust Foundation, were identified using the previously identified model and the companies involved in the sale of the first tranche, potentially to support a Phase 2 capital build on the main site. This matter and further discussion is minuted below at item 2221

The remainder of this Minute is not for publication and is included in Part B

2221 Phase 2 Capital Proposal: University of Teesside

This Minute is not for publication and is included in Part B

Ray Goddard and Joe Keenan left during this item. The meeting remained quorate.

2222 Draft Strategic Plan 2008 - 2011

The draft Strategic 3-Year Plan had been reviewed as instructed and circulated in Executive Summary version, incorporating the outcomes of the planning away day held in February and previous discussions; the detail of the proposed Development Plan for the first of the three years was also presented to members, identifying the targets for 2008-09 only. Some adjustments had been made to the sensitivity analysis of the Strategic Plan in line with the previous discussion, and further comments were made in relation to refining those sensitivities as having a positive, neutral or negative potential impact.

The Three-year Strategic Plan and the Development Plan were approved
It was agreed that the Three-year Strategic Plan and its sensitivity analysis should not at the stage be available for publication

2223 Budget 2008-09 and 3 year Financial Forecast

A copy of the proposed budget for 2008-09 had been circulated. The F & GP Committee had discussed the proposed budget in detail (F & GP Minute F 08 - 034 refers), and had recommended its adoption to the Board. Some small adjustments had been made to the sensitivity analysis. The budget indicated, prior to loan interest being added, an operating surplus of some £151.9K. When the loan interest was taken into account this produced a deficit budget of £393K, in line with the previous 10-year forecast.

A detailed commentary was provided, including known LSC allocations; the FE allocation and anticipated employer-responsive and apprenticeship income, parts of which may be subject to further review.

Planned expenditure included a pay award of 2% plus increments, and general inflation costs. The high energy costs were noted, but subject to

review based on the operation of the new premises. Loan interest was included, as was the arrangement with TTE, at the same level.

Further adjustments were made to the sensitivity analysis particularly in respect of pay award considerations, loan interest and any positive opportunities arising from external change

The budget was approved for implementation

Action: Principal

It was agreed that the detail of the budget should not be available for publication

Peter Nightingale & Pat Rutherford left at this point. The meeting remained quorate.

It was noted that the three-year financial forecast would be developed based upon the approved budget, but there had been insufficient time for this to be completed due to the late receipt of relevant information. However, it was important that the Forecast be lodged with LSC by the end of July.

It was agreed that the authority to approve a three-year financial forecast, in line with the one-year budget, be delegated to a Special Meeting of the F & GP Committee.

2224 Gift Aid

It was reported that the College has two wholly owned subsidiary companies which 'gift aid' any profit they make back to the College each year, after the year end reconciliation of the financial statements. The financial auditors have advised that in order to meet the appropriate criteria of FRS21, an appropriate resolution should be passed by the Board.

It was agreed that Cleveland College Ltd. and Summary Sheet Ltd. will gift aid all of their profits for the year to July 31st 2008 to Redcar & Cleveland College.

Action : Deputy Principal.

2225 Fees Policy

A report had been circulated recommending the fees structure to be adopted by the College for the academic year 2008-09. The report covered Course & Tuition fees; the remission of fees; the waiving of fees; financial hardship; and refunds. Further information was tabled in respect of proposals significantly to reduce fees for part-time adult students by reference to post-codes within the Redcar & Cleveland Borough. It was noted that fees for those full-time adults currently meeting their own costs will increase from 30% to 40 of the total cost.

The fees policy was approved

2226 Minutes of Employment Committee – 20th May 2008

These Minutes had been circulated. It was reported that there had been some minor changes of wording which had not altered the procedural aspects of the Disciplinary and Grievance procedures for senior postholders, and the Board was recommended to approve these changes.

It was agreed to accept the changes to the Procedures.

The Minutes were otherwise adopted.

2227 Minutes of P & N Committee, 17th June 2008

The Minutes of this Committee had been circulated and there were a number of recommendations considered by the Board. A report was also made in respect of the arrangements which had been made for the appointment of staff governors.

Gary Watts withdrew from the meeting whilst this element of the minute was discussed. He did not return. The meeting remained quorate.

It was agreed as follows:

- i) **that the arrangements for a special workshop be put in place early in the new term (9th September 2008, 5 p.m.) to enable the governance self-assessment process to take place using the same material as previously.**
Action: Professional Assistant
- ii) **that the updated arrangements be put in place to link governors with the areas of the College in which they had expressed interest, and that governors report orally to the Board on their links;**
Action: Principal.
- iii) **that the recommendation of a reduction in membership of governors from six to 5 members in respect of the Remuneration Committee be supported and that no action be taken therefore to fill any vacancy;**
- iv) **a) that the nomination and election process for a support staff governor be re-run at the beginning of the academic year, that the candidates in the previous election be advised of this arrangement and of their eligibility to be re-nominated,**
b) that the Professional Assistant be present to brief the support staff prior to the process re-commencing,
c) that the professional Assistant also be present at a meeting of the Student Council to provide similar information in respect of the student nomination due; and
d) that the Professional Assistant prepare a 'role description' to assist this process.
Action: Professional Assistant
- v) **that Phil Smith be appointed as the academic staff governor for a further period of four years from 1st September 2008 to 31st August 2012;**
- vi) **That the Minutes otherwise be adopted.**

2228 Minutes of Remuneration Committee, 26th June 2008

Staff and student members withdrew from this item in addition to those who had declared an interest.

This item is recorded in Part C of the Minutes, is not for publication or for distribution to staff and student members.

2229 Minutes of Audit Committee, 1st July 2008

These Minutes were tabled and presented to the meeting by the Chair, and the recommendations discussed by the Board.

It was agreed as follows:

- i) **that the Risk Register be adopted;**
- ii) **that the membership of the Remuneration Committee be reduced to five persons, and that a quorum for the meeting remain at three members;**
- iii) **otherwise to adopt these Minutes.**

2230 Minutes of F & GP Committee, 1st July 2008

These Minutes were tabled, and presented to the meeting by the Chair and the recommendations discussed by the Board. Some matters had been the subject of decision elsewhere at this meeting.

It was agreed

- i) **that the authority to determine the College's response in respect of the discretionary elements of the Local Government Pensions Scheme be delegated to a Special meeting of F & GP Committee;**
- ii) **otherwise to adopt these Minutes**

2231 Confidential Business

It was agreed that

- i) **item 2119 should not be for publication,;**
- ii) **part of item 2220 should not be for publication and that the supporting papers in respect of the new build financial statement should also be restricted in circulation;**
- iii) **item 2221 should not be for publication**
- iv) **item 2228 should not be for publication**

2232 Date of Next Meeting

- i) **The next ordinary meeting is on Tuesday 14th October 2008 at the College at 5.00 p.m.**
- ii) **A Special Meeting will be held on Tuesday 9th September 2008 at 5.00 p.m. which will also incorporate the self-assessment workshop.**

David Stevenson

Clerk & Professional Assistant to the Board

Redcar & Cleveland College

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