

Northumberland College Corporation

Governing Body

Minutes of meeting held on 18th December 2006 at Ashington

Present: P B Elliott (Chairman) M Rossi
J Carlin D Fleming
P Sample D Ratcliffe
R Ellis-Jones (Principal) I Todd
L Ions
P Pratt (Vice Chairman)

In Attendance: C Taylor (Clerk to the Corporation)
C Saint (Acting Finance Director)
H Wright (Acting Vice Principal)

The Chairman introduced Helen Wright and Chris Saint to the Corporation.

He also confirmed that the LSC had appointed Neville Hall as a replacement for Jacqui Henderson (at their meeting on 7th December 2006). The meeting noted the appointment.

GB06/163 Apologies

Apologies had been received from Winnie Lowes, Michael Jeans, Eric Fisher and Neville Hall.

NH had been unable to attend but sent his best wishes and had stated that he was looking forward to assisting the College.

GB06/164 Confirmation of Quorum

The Chairman verified that there were no changes to eligibility then confirmed that the meeting was quorate (the members present exceeding the minimum requirement of 8).

GB06/165 Register of Interests

The Clerk noted that DF had not returned his Register of Interests and it was agreed that this be resent to DF. It was also noted that NH would also require the document for his completion.

Clerk

GB06/166 Winnie Lowes

The Chairman confirmed that flowers had been sent to WL as she was still unwell. A thank you note had been received from WL.

A thank you note had also been received from Malcom Watson - Chairman of The Friends of Kirkley Hall, in respect of attendance at the Chairman's dinner.

GB06/167 Minutes of Governing Body Meeting – 26th September 2006

The minutes were approved and were signed by the Chairman. It was agreed that Corporation minutes should be page numbered in future.

GB06/168 Matters arising from Governing Body meeting held on 26th September 2006

- a) Data Systems Progress (GB06/117) - REJ confirmed that she was meeting with the LSC tomorrow the 19th December. This was therefore in hand.
- b) Quality function (GB06/141) - it was noted that this would be dealt with by the agenda (under “restructuring”).
- c) Development Plan 2005/06 (GB06/143) - REJ confirmed that the paper had been produced and would be presented to the January Corporation Meeting.
- d) GB06/145 It was noted that key targets and ratios and not yet been set nor monitored through the F&P Committee as it had not been possible to attend to this due to other pressing matters. It was agreed that this matter should be **carried forward**.

GB06/169 Commission for Racial Equality

REJ confirmed that dialogue in respect of returns to the CRE continued – and that UCU were involved at a national level.

GB06/169 Minutes of the High Gain board meeting held on 01 November 2006

The minutes were received.

GB06/170 High Gain- Audited Accounts

It was noted that the High Gain Board had met urgently that afternoon.

The Meeting were advised that a deficit had arisen in the High Gain Accounts and that certain issues remained to be clarified/resolved.

CS confirmed that the Accounts for High Gain would need to be changed when clarified and subject to High Gain Board approval.

With the agreement of the auditors the College’s consolidated accounts would not require change at this point. Any High Gain effect would be taken as a prior year adjustment in the next set of statutory accounts for the College. CS clarified that this was not an unusual practice.

After a lengthy discussion it was explained that some High Gain invoices had not been raised nor debts recovered from external customers. This was partly an accounts failure and also a consequence of failures at the operational level.

CS would start looking into debt recovery this week.

CS confirmed that in January he would be strive to ascertain the true extent of the loss. It was agreed that missing invoices should be raised and debtors chased.

It was noted that a full review and revision of all relevant operational and accounting procedures would be undertaken.

CS

GB06/171 – Letter between the College and High Gain

The Chairman then produced a “comfort” letter between the College and High Gain for approval. The letter confirmed that the College would not request repayment of monies until High Gain had adequate resources. This was not a waiving of the debt, just deferring repayment.

It was agreed that the letter should be signed. The Clerk to receive a copy.

PBE

GB06/172 – Final accounts for the year ended 31.7.06

CS introduced the paper and highlighted the significant deficit of £1.7million noting that it had been extremely difficult to pull the accounts together. It was noted that income was down and primarily had arisen due to the loss of recurrent funding due to rebasing. In addition there had been WBL claw back as a result of the audit. It was noted that activity levels had not dropped in line with income.. The pension reserve had also been included in the accounts for the first time.

It was also noted that the College had net current liabilities for the first time as a result.

LI confirmed that the College owed a debt of gratitude to CS as it had not been an easy task and the Audit Committee had expressed their thanks for CS's efforts. This was endorsed by the Corporation.

LI confirmed that the Audit Committee wished to seek legal advice from the College's solicitors to ascertain the Colleges responsibilities with regard to the deficit. REJ agreed that she would look into this.

REJ

It was noted that the management letter did not make good reading. LI confirmed that the Auditors had been pressed as to their understanding of events as the financial status had gone from low-level concern to high level concern during the course of the past 6/12 months. LI further confirmed that a meeting with the internal and external auditors would be held in early January. It was noted that internal controls were poor and urgently needed to be improved.

Action has been taken in drafting in external support from Tribal but further support may be required

After a lengthy discussion on the unsatisfactory financial situation it was noted that the main priority to underpin improvement was curriculum planning. The Principal stressed that this is the main objective for College staff during January.. It was agreed that there should be urgent action, even if not the perfect or long term solution, to improve curriculum planning. It was agreed that issues needed to be addressed at both an operational and strategic level and by all departments..

Chris Saint will begin a full analysis in January as systems had been failing for some time. .

LI confirmed that about £700k had been entered in to the accounts as deferred (potential) income. The money related to claims where the College had not yet been able to provide robust evidence. Chris Saint will action this in the New year.

RECOMMENDATION

It was agreed that authority be given to REJ to support CS, if necessary, with extra resource to assist him in looking into this critical matter..

CS

Subject to a few minor amendments to the accounts as agreed in the Audit Committee LI advised that the Audit Committee recommended that the Corporation accept the accounts and authorise that they be signed.

The Corporation approved signature of the accounts and noted that the management letter had been formally received.

Thanks were given to the Audit Committee for their close attention to the matters discussed.

MR indicated that staff morale was low. He suggested that suitable information and reassurances be given to staff to allay fears for the future. REJ was asked to communicate appropriately on these matters to staff at her end of year address.

REJ

GB06/173 Learning Park -CONFIDENTIAL

CONFIDENTIAL MATTER

GB06/174 Pay Award Proposals

REJ

REJ presented the paper and recommended that the College follow the national recommended pay settlement (which were in line with the claim submitted).

It was noted that there had been a delay in agreeing the proposals due to changes in management and the many pressing problems since REJ's commencement on 1st September.

After a long discussion it was agreed that payment in line with the national recommended settlement be paid, backdated to 1st August. The request for interest to be paid was rejected.

The further requests from UCU, beyond the nationally recommended settlement, were not agreed but REJ was empowered to deal with these items through the now established JCC mechanism.

It was noted that the paper submitted to the Meeting was wholly inappropriate and inadequate – a management rather than a union document should inform the Corporation’s debate.

It was agreed that the College’s financial position should be made clear in the discussions with the Unions.

GB06/175 Staff/TU relations

REJ confirmed that positive meetings had been taking place with the Trade Unions and believed that relations are getting better. The Committee expressed their thanks to REJ and hoped to hear of further progress and in particular a warming of relations.

MR suggested that UCU comments were not consistent with REJ’s view at this stage.

David Fleming (“DF”) then left the meeting (which remained quorate).

REJ also temporarily left the meeting (which remained quorate).

GB06/176 Student Fees

HW introduced the paper asking the Meeting to note and approve the fees statements. The Governors approved the fees statements for the prospectus and indicated that they looked forward to further proposals as indicated in the paper. HW advised this further information would and brought to the March Corporation Meeting.

HW

It was noted that there needed to be a balance between social outcome and costs. CS and HW were to explore whether the LSC had introduced a fees target or other guidance.

HW/ CS

GB06/177 Management Accounts/Enrolment report

CS presented the latest available management accounts, noting that they were September’s. He advised was working on accounts to the end of November which would be presented to the F&P Committee in January.

The results stated in the September accounts were noted.

The Chairman confirmed that, when normal service is resumed, accounts should be submitted to governors each and every month (regardless of whether there is a meeting or not).

CS advised that a major issue, which he was to address, related to the “cut off” and process disciplines around the College with respect to data impacting on the accounts.

REJ rejoined the meeting.

It was noted the Enrolment Report (which was not attached) had been reported upon to the F&P Committee. REJ explained that at present it was difficult to drill down through the report. Last year the College had over achieved and the same may be true about this year. It was noted that there were a large proportion of higher cost weighted programs than other colleges and the College was falling short on 19+ numbers.

It was noted that REJ and CS would bring a response to the January Corporation Meeting in terms of how these issues were being addressed.

REJ/CS

GB06/178 Restructuring

REJ presented a document showing the proposed SMT and management structure and clarified a variety of issues within the proposed structure.

There was a lengthy and constructive debate about the various posts.

It was agreed that the, to be recruited, Finance Director and Vice Principal posts would be determined and recruited (by the Corporation) as senior post-holders (as is the Principal).

It was agreed that REJ should, at the end of year address, inform staff that a restructuring was to happen but that staff should not be unduly worried as to the consequences.

It was agreed that as necessary REJ was empowered to eliminate surplus posts by way of redundancy on the understanding that suitable alternatives would be available to the post holders within the new arrangements.

Having agreed the proposed structure REJ was encouraged to take this forward - with full dialogue with staff representatives. It was also agreed that REJ was granted a degree of latitude to build in a post, if deemed necessary, to deal with data issues.

GB06/179 PR support and marketing strategy

REJ confirmed that she had been speaking with companies in this regard and was also looking at bringing this back in house. It was agreed that the Corporation were happy for REJ to deal with this to find the most cost effective approach consistent with the College's needs.

REJ

GB06/180 A trustee for Ashington High School Partnership.

Ashington High School had expressed a wish for a Governor to become a trustee and someone who would work closely with them as they go into Trust Status. It was agreed by the Meeting that the College should be represented. It was agreed that if someone volunteered we should seek permission that an alternate could be used as necessary (i.e. to cover non-attendance by the first named representative).

A volunteer from within the Corporation is to be sought (without adding to the heavy duties of some existing members).

CT

GB06/181 Future Collaboration Strategy with Tyne Met

REJ presented the paper. The Corporation expressed total support for the sentiments expressed therein and confirmed their approval that the formal statement of collaboration be signed on the Corporation's behalf.

GB06/182 Topics for the Retreat in February

This had been discussed by the M&G Committee. Upon their recommendation it was agreed that the main discussions should centre around re-examination of the College's Mission, curriculum planning and specific outreach issues.

REJ will put together a programme and will advise on the venue when finalised.

REJ

GB06/183 Budget/Financial Update

It was noted that this had already been discussed earlier.

GB06/184 Confidential Register

The Clerk introduced the paper seeking advice on which matters were to stay confidential. It was agreed that as follows:-

- a) The campus relocation should stay confidential until it had been determined where the College was going
- b) LSC repayment issue, update on date issues, LSC Funding re-allocation and updated on 2005/08 development and briefing on Connexions Northumberland could all be removed off the confidential register.
- c) Learning Park should remain confidential.

GB06/185 Date of future meeting – 23rd January 2007

It was agreed that this should be at Kirkley Hall at 5.30pm

GB06/186 Minutes of the Remuneration Committee held on 8th November

The minutes were received and approved.

GB06/186 Minutes of the special Corporation Meeting held on 8th November

The minutes were received and approved.

GB06/187 Minutes of the Finance and Personnel meeting held on 14th November

The minutes were received and approved.

GB06/188 Minutes of the Audit Committee meeting held on 28th November

LI drew attention to

1. Communication with staff regarding audits
2. The receipt of two qualified opinions on audits
3. The area of Curriculum planning being of the highest priority to improve College processes.

The minutes were received and approved .

GB06/189 Minutes of the Membership and Governance Committee held on 11th December

PP presented the contents of the minutes and outlined the proposed membership and committee appointments.

PP had agreed to be re-appointed for a further one-year term until a replacement was found. Upon the recommendation of the Membership and Governance Committee the Corporation ratified PP's appointment for the further year.

It was agreed that Neville Hall be appointed to both the Standards and F&P

Committees and that I. Todd be appointed to the Standards Committee.

The new staff governor, when appointed, would be a member of M&G.

Discussion ensued around the Standards Committee, its purpose and recent lack of activity. The Clerk read out the Committee's Terms of Reference It was agreed that due to EF's absence that PP would speak with EF with regards to establishing the next meeting to take place in January. The meeting had to take place in January to consider the self assessment. It was agreed that PP and the Clerk should work together to resolve this matter.

PP/Clerk

GB06/190 Designation of items as confidential

It was agreed that the business on Learning Park and Restructuring should remain confidential for the time being.

GB06/191 Topics of the next Corporation Meeting

It was agreed that there should be a report upon the work of the Standards Committee at the next Corporation meeting.

GB06/192 Any other business

MR confirmed that he liked receiving papers via email. It was noted however that not all Governors had the facility to print off reams of paper. The Clerk was asked to ask all Governors how they preferred to receive Committee papers going forward.

Clerk

MR also asked if a vegetarian plate could be set aside for him at Corporation Meetings.

There being no further business the meeting closed.