



HADLOW
COLLEGE

Innovation. Experience. Excellence.

MINUTES OF THE PART I MEETING OF THE BOARD OF GOVERNORS

HELD 8 JULY 2010

Present:	Mr H Guntrip	Chairman
	Mr J Bolas	
	Mr J Boxall	
	Ms T Bruton	
	Mr G Charlton	
	Mr N Coffin	Vice Chairman
	Mr P Hannan	
	Professor M Noble	
	Mr B McNicoll	
	Mr V Patel	
	Ms M Wakeling	
In attendance:	Mr J Allen	-Clerk to the Governors
	Ms L Brown	-Vice Principal
	Mr M Lumsdon-Taylor	-Director of Finance & Resources

The meeting commenced at 10.05.

Section A: Formal Agenda Items

APOLOGIES & DECLARATION OF INTERESTS

98. Apologies were received from Lynette Monteiro, Paul Dubrow, and Philip Morris. There were no declared interests.

MINUTES

99. It was **RESOLVED**

- (i) That the minutes of the Part I meeting of the Board held 25 March 2010 be approved and signed by the Chair as a correct record.
- (ii) That the minutes of the Part III meeting of the Board held 25 March 2010 be approved and signed by the Chair as a correct record.

SUMMARY ACTION LIST & MATTERS ARISING

100. The College report '*Summary Action List*' was received (copy attached to the signed minutes). The following updates were made available.

MIN REF	DETAILS OF RESOLUTION/ACTION POINT	UPDATE AS OF 8/7/10
56	Strategic Plan 2010-2015 to be approved	Agenda item 6(ii)

60	It was RESOLVED to also submit a corporate response to the AoC/LSIS Review of Governance and for governors to make their views known to the Clerk who would then formulate a corporate response	Response on behalf of the Board submitted – still no published outcomes from the review
84	Governor Link Scheme: The need for identified College staff to make the initial contact with their link governor was raised as a matter requiring urgent action. The Principal agreed to take this forward. In discussion it was agreed that at the next allocation of governor links for 2010/11, to revise the link policy so that governors can make the 1 st contact and to introduce a reporting process so that governors can comment briefly on the outcomes of their visit	Principal to provide an update. Revised Link Policy, and link allocations for 2010/11, to be confirmed at the October Stewardship Day.
97 (iii)	Board approval of the proposed joint venture contract with the chosen developer for the Maidstone site	Agenda item 8(ii)
97 (iv)	To make available for Board approval (July 2010) a proposal for the restructure of the College's existing debt at £5,950,000 with delegated approval given to F&GP to approve in advance any draw down of the approved facility	F&GP meeting held 24 June 2010 agreed to defer this to the December Board meeting

GOVERNANCE MATTERS

101. The College report '*Governance Matters*' was received and introduced by the Clerk (copy attached to the signed minutes). The Corporation at the July Board meeting is scheduled to:

- Approve re-appointment recommendation
- Approve the annual appointment of the Chairman and Vice Chairman
- Agree meeting dates 2010/11
- To conduct the annual review of confidential minutes.

102. It was **RESOLVED**:

- (i) To agree the re-appointment of Mr N Coffin to serve for the period 1 August 2010 to 31 July 2014;
- (ii) To appoint Harvey Guntrip to serve as Chairman and Nick Coffin to serve as Vice Chairman for the period 1 August 2010 – 31 July 2011;
- (iii) To agree for the following minutes to remain confidential for the reasons stated in the table below:

Date	Board/ Committee	Content of Minutes/Reasons for Confidentiality
8/7/10	Board Part III Meeting	Remuneration proposals for the Principal and contractual arrangements for clerking services. As these minutes relate to named individuals, to remain confidential
28/6/10	Remuneration	Remuneration proposals for Principal. As these minutes

		relate to named individual, to remain confidential
24/6/10	F&GP	Minute relates to sensitive commercial information relating to third parties – to remain confidential
3/6/10	Estates Committee	Minute relates to sensitive commercial information relating to third parties – to remain confidential
25/3/10	Board Part III meeting	Minute relates to sensitive commercial information relating to third parties – to remain confidential
11/3/10	F&GP	Minute relates to sensitive commercial information relating to third parties – to remain confidential
1/3/10	Estates	Minute relates to sensitive commercial information relating to third parties – to remain confidential
11/12/09	Board Part III Meeting	Minute relates to sensitive commercial information relating to third parties – to remain confidential
12/11/09	F&GP	Minute relates to sensitive commercial information relating to third parties – to remain confidential

(iv) To note meeting dates 2010/11; and

(v) To note the report.

Section B: Agenda items of Strategic/High Importance

INSPECTION OUTCOMES

103. For this agenda item the following was made available:

- QAA-IQER Report that confirmed that there can be confidence in the College's management of its HE responsibilities with a significant range of good practice confirmed in the report (copy attached to the signed minutes)
- Provider Financial Assurance Review Report that confirmed a grade of 'Outstanding' for financial controls and governance with only a minor recommendation on good practice (copy attached to the signed minutes)
- Verbal report from the Principal on the grades arising from the recent Ofsted inspection with confirmation that the College has been assessed by Ofsted as being 'Outstanding'. The Board noted the achievement of 24 Grade 1s out of a possible 27, with the remaining 3 grades being 'Good' (Grade 2).

104. It was **AGREED** for the IQER Action Plan to be subject to on-going review by the Strategy & Performance Committee until all aspects of the action plan have been fully implemented.

105. The Board thanked all members of the senior management team for these excellent external assessments of college performance. It was agreed for the Chairman to write to all staff to pass on to them the Board's sincere gratitude for all their efforts in achieving such outstanding outcomes.

106. In discussion on one of the desirable points arising from the IQER, it was **AGREED** for the Board to receive a report in the spring/summer of 2011 summarising the effectiveness and benefits arising from the recent restructure. The review should seek views from:

- a) Learners: What difference has the restructure made to their learning experience?
- b) Staff: Has the restructure helped them?

- c) SMT: Is the restructure working for them?

STRATEGIC PLAN 2010-2015 AND OPERATING PLAN 2009/10

107. The College report '*Operating Plan 2009/10*' was received (copy attached to the signed minutes). The report confirmed progress made in the implementation of all agreed operational objectives 2009/10 to ensure the achievement of the College's Key Strategic Objectives published in the Strategic Plan 2007-2010.

108. It was **RESOLVED** to note the Operating Plan 2009/10 and the progress made in the implementation of agreed strategic objectives.

109. The College report '*Strategic Plan 2010-2015*' was received (copy attached to the signed minutes). The Board is scheduled to approve the College Strategic Plan 2010-2015. A recommended version of the College's Strategic Plan 2010-2015 was put to the Strategy & Performance Committee to consider and review at their meeting scheduled for 1st July.

110. The following Mission Statement and Strategic Objectives are proposed:

Mission Statement

'Hadlow – The outstanding land-based college'

Strategic Objectives

1. To inspire all learners to meet their full potential through vocational education and training of the highest quality.
2. To meet the wider needs of the land-based sector by providing a skilled and entrepreneurial workforce that positively contributes to society.
3. To enable and support our people to be part of a highly skilled and effective college team.
4. To be an inclusive college where all feel safe and valued.
5. To ensure a sustainable economic future for the organisation that maximises best use of resources and partnerships.

111. It was **RESOLVED** to approve the College Strategic Plan 2010-2015.

112. In discussion it was **AGREED** to receive at the December Board meeting details of how and when the strategic objectives will be achieved and how the Board will monitor performance against the implementation of each agreed objective.

113. The Board took note of agreed outcomes arising from the appraisal meeting held on 28th June 2010 between the Principal, Chairman and Vice Chairman. These being:

- A key question to be answered at a strategic level is where does the College want to be in the next 3-4 years? We need to agree on targets that take the College forward from 'Outstanding' to its next level of development
- The October Board meeting to be used for a strategy session to explore this in more detail and outcomes arising from the meeting to inform the targets for the Principal for 2010/11

- The meeting should use as its starting point the College Strategic Plan 2010-2015 and to review the plan in light of:
 - a) The achievement of the grade of 'outstanding' and to review the opportunities that this presents to the College;
 - b) The economic climate and expected funding cuts;
 - c) The expected changes in FE structures over the next few years with the expectation of College's working together to share services and to have in place a range of collaborative arrangements;
 - d) Collaborative arrangements that could involve non FE institutions – such as schools, academies, training providers etc

COLLEGE BUDGET 2010/11 AND 3-YEAR FINANCIAL FORECASTS

114. The Board received a presentation from the Director of Finance & Resources on the process followed in the drafting of the 'College Budget 2010/11 and '3-Year Financial Forecasts' (copies attached to the signed minutes). Also made available for information purposes was the College report '*Economic Review*' (copy attached to the signed minutes).

115. In reviewing the College Budget the following key points were noted:

- (i) Total income is forecast at £14,500,000 net (£15,500,000 gross) compared with £13,150,000 net (£14,500,000 gross) for 2009/10. An overall surplus of £250k is forecast. Taking out the identified exceptional restructuring costs of £265k would result in a revised surplus of £515k.
- (ii) Full-time FE students is set at 910 with part-time numbers at 1200. HE student numbers are 580. For 2010/11 any overachievement of HEFCE numbers will be 'fined' with the university.
- (iii) The accurate and robust forecasting over the last five years does enable the Committee to accept with a large degree of assurance the assumptions behind the student growth targets for 2010/11.
- (iv) It was noted that curriculum financial modelling confirms that all curriculum areas will make a net contribution, with the aim of making a net 50% contribution. Equine achieves 58%; Animal Management 59%; and Horticulture 43%. Overall, there is a curriculum total of a net contribution of 54%.
- (v) The staffing budget is £7,140,000 which is at 54% of turnover against the land-based sector benchmark of 57%. The budget incorporates a pay award for 2010/11 but no decision for the Board to consider and approve on the amount of the award will be made until the outcomes of national pay negotiations are known.
- (vi) Net commercial contributions are forecast at £110k.
- (vii) The capital budget is forecast at £220k focusing on student residences, curriculum investment, IT and contingency. The capital expenditure of £220k will be funded through revenue cash flow. Capital expenditures at Princess Christian Farm will be funded through KCC and campus Priority Works to be funded through receipts from the disposal of the Maidstone site.
- (viii) The College Budget Risk Register outlines all high-risks associated with the budget and proposes a range of remedial action that would be taken in the event of any of the high-risks occurring.
- (ix) It was confirmed that all but one of the five financial objectives set by the Board will be achieved based on the forecasts in the budget. Against the

cash flow balance of £1,000,000 (30 cash days), it is expected that at year-end there will be a cash balance of £700k (24 cash days).

- (x) The Board noted and endorsed the decision of the F&GP Committee to have as a key financial priority for 2010/11 and beyond, the need to build up cash reserves and to add to the existing financial objective of ensuring a cash balance of £1m, and additional sub-set objective of having £2m cash reserves by July 2012

116. It was **RESOLVED** to approve the College Budget 2010/11 and the 3-Year Financial Forecast 2010-2013

PROPERTY

Estates Strategy

117. The College's '*Estates Strategy*' was presented for approval (copy attached to the signed minutes). The Estates Strategy was presented to Governors at the Governors away day held in May.

118. The Estates Committee met on 3 June 2010 to consider in detail the Estates Strategy where it was resolved to recommend Board approval of the Estates Strategy subject to the result of the next stage of feasibility for Betteshanger and the assessment of supply and demand for Kent as a whole, which will be presented to the Estates Committee in the autumn term.

119. Members agreed that they must be in receipt of robust supply and demand data and concern was expressed that the Estates Strategy estimates student numbers of only circa 250 at Betteshanger. SMT were challenged on the viability of operating a new outcentre on such forecasts. In response it was confirmed that the supply and demand data to be made available should enable the Board to make informed decisions on the viability of Betteshanger.

120. It was **RESOLVED** to approve the 'Strategic Vision' for the College's Estates Strategy 2010-2015, subject to the result of the next stage of feasibility for Betteshanger and the assessment of supply and demand for Kent as a whole, which will be presented to the Estates Committee in the autumn term.

Maidstone Site

121. The College report on the disposal of the Maidstone site was received (copy attached to the signed minutes). Both the Estates Committee and F&GP Committee have resolved to recommend that the Board approves the disposal of the Maidstone site with the chosen developer.

122. The Board took note of minute 129 from the last meeting of the F&GP Committee.

129. The rationale and business case for the disposal of the Maidstone site to fund future priority campus works has been outlined at previous meetings and again reinforced in the paper presented to the Committee. Following the last meeting it was agreed to seek in principle joint venture arrangements and a tendering process was followed. The tendering process followed was outlined in Appendix 1 of the College report. The tendering process identified Marpaul Construction as offering best value in terms of receipts and matching of the tender specification. It was confirmed that due diligence on Marpaul Construction has been undertaken and a summary of the

due diligence findings were outlined in Appendix 2. It was noted that there were no issues arising from due diligence. The draft Heads of Agreement with the preferred developer has been subject to legal review and a copy of the draft was attached in Appendix 3. The draft Heads of Agreement confirms the financial arrangements between the College and chosen developer as outlined in the College report. An update on the planning process was made available in Appendix 4 of the report. Planning application was submitted on 12th March 2010 and a planning decision is expected imminently. It is a requirement for appropriate approval to be obtained for the disposal of assets owned by the College. Appendix 6 outlined the process followed to date in obtaining approval from the Skills Funding Agency (SFA) for the disposal of the Maidstone Site. For the disposal to be approved the SFA require evidence of tendering, evidence of MRV, evidence of planning consent, independent valuation, and an Agent report on marketing. All of the SFA criteria have been met with the exception of evidence of planning consent which is expected on 23rd June. Discussions to date with the SFA have raised no issues on disposal and SFA has indicated that their consent will be granted by 31st July 2010.

123. Having carefully considered the rationale and business case for the disposal of the Maidstone site, and after careful consideration of the processes and regulations followed to date, it was **RESOLVED** to approve the disposal of the Maidstone site based on the preferred developer option (Marpaul) for a total remittance of £4,250,000 (shared risk joint venture to manage profits), subject to receipt of planning permission from the local authority and subject to final approval for the disposal having been obtained from the Skills Funding Agency.

124. As and when the disposal of the Maidstone site has been agreed and completed, the Board noted that the next stage will be for the Estates Committee and F&GP Committee to review and consider the various options available for future priority campus works and to make recommendations for the Board to consider.

125. Some concern was expressed of the possible over reliance on dealing with one constructor for major capital works. It was confirmed that Marpaul was appointed following a due tender process but this risk has been identified by the Director of Finance and will be taken into account on any future tendering processes.

LEARNER INVOLVEMENT STRATEGY

126. The College report '*Learner Involvement Strategy*' was received (copy attached to the signed minutes). The Learner Involvement Strategy and the Learner Involvement Action Plan have been updated for 2010/11.

127. There is further work taking place to develop a Learner Involvement Cycle which will show an integrated approach to curriculum and cross College Learner Voice activities.

128. The current use of QDP has been reviewed and another potential learner survey called QUEST has been appointed. It is intended that these will allow greater flexibility to gather 'stakeholder views' and to follow up with further questions to improve practice in particular these will enable the College to gather learner views on support services which are not currently included in surveys but which contribute to more effective self assessment.

129. It was **RESOLVED** to note the report.

**MONITORING OF COLLEGE PERFORMANCE – OVERALL SUMMARY
ASSESSMENT OF COLLEGE PERFORMANCE & ASSESSMENT OF RISK**

130. The College report ‘*Monitoring of College Performance – Overall Summary Assessment of College Performance & Assessment of Risk*’ was received (copy attached to the signed minutes). The monitoring framework approved by the Board requires the overall assessments undertaken by each Committee during the term to be made available to the Board.

131. It was **RESOLVED** to note the following overall summary of College performance and assessment of risk:

1	The Student Experience, Teaching & Learning (Agreed by the Strategy & Performance Committee)	No concern/risk
2	Financial & Estates (Agreed by the F&GP Committee)	No concern/risk
3	Audit (Agreed by the Audit Committee)	No concern/risk
4	Staff & Human Resources (Agreed by the F&GP Committee)	No concern/risk
5	Employer Engagement (Agreed by the Strategy & Performance Committee)	No concern/risk
6	Governance, Leadership & Management (Agreed by the Board)	No concern/risk

Section C: Minutes and any resolutions arising from the Committees

REPORT FROM THE AUDIT COMMITTEE

135. The College report ‘*Unconfirmed Minutes of the Audit Committee held 17 June 2010*’ were received (copy attached to the signed minutes). The Chair of the Committee presented the report. The Chair confirmed that the Committee received and considered reports on:

- Audit roll Forward Action Plan
- Internal Audit Annual report 2nd Report 2009/10
- Internal Audit Strategy & Audit Plan 2010/11
- Financial Statement & Regularity Audit Plan 2009/10
- Termly Report on Risk Management
- Internal Controls Framework
- Monitoring of College performance in the area of audit
- Annual review of the internal audit service (MacIntyre Hudson)

136. It was **RESOLVED**

- (i) To approve the ‘*Internal Audit Strategy & Audit Plan 2010/11*’;
- (ii) To approve the ‘*Financial Statement & Regularity Audit Strategy & Audit Plan 2009/10*’;

- (iii) To approve the annual re-appointment of MacIntyre Hudson as the College's Internal Audit Service for the period 1 August 2010 – 31 July 2011; and
- (iv) To note the unconfirmed minutes of the Audit Committee meeting held 17 June 2010.

REPORT FROM THE FINANCE & GENERAL PURPOSES COMMITTEE

137. The College report '*Unconfirmed Minutes of the meeting of the Finance & General Purposes Committee held 24 June 2010*' were received (copy attached to the signed minutes). The Chair of the Committee confirmed that the Committee received and considered reports on:

- Financial Position & Projections including Management Accounts to 31 May 2010;
- College Revenue & Capital Budget 2010/11
- 3-Year Financial Forecast 2010-2013
- Capital Portfolio report
- Tender Report
- Human Resources Exception Report
- Health & Safety
- Monitoring of College performance in the areas of finance & estates; and staff & human resources

138. It was **RESOLVE** to note the unconfirmed minutes of the meeting of the F&GP Committee held 24 June 2010;

ANY OTHER BUSINESS

139. As this was the last meeting of the staff governor Michelle Wakeling, the Chairman asked for the minutes to record the Board's appreciation of the invaluable contributions made by Michelle during her time as the staff governor. Michelle was presented with a gift from all the governors.

140. The Principal took the opportunity of thanking all governors for their support in what has been a very successful academic year for the College.

DATE OF NEXT MEETING

139. Thursday 14 October 2010 @ 09.30

This part of the meeting closed at 12.10.

Signed: _____ Date: _____