



**THE CORPORATION OF  
NEWHAM COLLEGE OF FURTHER EDUCATION  
BOARD OF GOVERNORS**

**MINUTES OF THE MEETING HELD ON 18 JANUARY 2005**

**MEMBERS PRESENT:** Parin Bahl (Chair), Kelly Hewson, Ed Prosser, Linda Jordan, Harsh Ondhia, Quintin Peppiatt, Jonathan Swan, Mike Thorne, Martin Tolhurst.

**APOLOGIES:  
IN ATTENDANCE:** John Garlick , Peter Pendle , Alexis Dalton  
Denise Brown, Kath Sherit and Naomi Shoffman (Clerk to the Corporation).

**05/01 DECLARATIONS OF INTEREST**

Mike Thorne declared an interest in the item Tuition Fees Top-Up Fees For HE Courses

**05/02 SEARCH COMMITTEE**

An oral report on the meeting held prior to the Board was received. The Board noted that:

- Neil Berry, the Academic Standards and Performance Committee's co-opted member, had resigned due to pressure of work. The committee had agreed to look for someone with FE experience to replace him.  
Martin Tolhurst will this follow up.
- Following the resignation of the Student member the Committee agreed to recommend the appointment of Alexis Dalton the newly elected Student Union President as the Student member for the remainder of this year.
- With this appointment the Board will have full membership.

It was **AGREED** that:

- Alexis Dalton is invited onto the Board as a Student member.

**05/03 QUALITY REPORTS**

**05/03.1 Curriculum Quality Report including Inspection Feedback - Ofsted**

A report was considered. The Board noted that:

- Overall the outcome of the inspection was very positive
- There had been an advancement of the quality of teaching and learning within the college
- Ofsted had acknowledged the college's overall success rates being at or above national averages
- Ofsted had endorsed the college's leadership, management and strategy
- There were some anomalies between the College's self assessment and the

inspection grades but in general the area of learning inspection grades broadly supported the findings of the College 2003 Self Assessment. The areas of difference were Maths and Science, Engineering, ESOL and Basic Skills and IT.

- The inspection team did not appear to fully understand the objectives of NEWCAD, especially in respect of its flexible learning objectives (as distinct from whole qualifications), and this particularly affected their reporting of success rates. However, overall the report is very positive about the programme
- The college received an outstanding grade for social inclusion
- The results puts the College in the top three of London general FE college inspections in this third cycle of full inspection; and maintains the College's record of having sustained good quality continuously since Incorporation (only a minority of general FE colleges have achieved this).

The Board congratulated all the staff on their hard work leading up to and throughout the inspection process. The report was received.

### **05/03.2 LSC Provider Financial Assurance Review (PFAR)**

An oral report was received. The Board noted that

- the draft PFAR report was still to awaited.
- the college received a provisional Grade 3 - Adequate - for governance framework and a provisional Grade 2 - Good - for effectiveness of governance

The report was received.

### **05/03.3 College Quality Improvement Action Plan**

A report was considered. The Board noted that:

- implementation of 2004 plan is satisfactory.
- some aspects are being carried forward to the 2004/5 plan.

The report was received

### **05/04 PERFORMANCE AGAINST CONTRACTS 2004-2005**

A report was considered. The Board noted that:

- The college is 2.7% behind profile in term of learner numbers
- The projected outturn is 4.5% below contract
- The College is taking actions to improve performance
- There was some concern as to current over-performance of the Learndirect Contract and the implications should no further in-year allocation be available. The Board noted that its Learndirect operation had been successful in previous years in securing in-year allocations, and had used strong performance in the first part of the year to secure this. General concern was expressed about the Government's medium to long-term commitment to Learndirect.

The report was received.

### **05/05 RISK MANAGEMENT**

A report was considered. The Board noted that:

- In line with the College's risk management policy the Board receives an annual summary report of issues arising.
- This report was considered by the Audit Committee at its November meeting and one change pertaining to the Board's consideration of risk issues at the strategic level was incorporated

The report was received.

### **05/06 ANNUAL REPORT OF THE AUDIT COMMITTEE**

A report was considered. The Board noted that:

- The opinions expressed are dependent on the outcome of the funding audit (see minute

05/07)

- on the assumption that the outcome of the funding audit would not materially affect the out for 2003/04, the Audit Committee had approved the report at its meeting prior to the Board

The report was received.

#### **05/07 ANNUAL REPORT OF THE INTERNAL AUDIT SERVICE**

A report was considered. The Board noted that:

- Tenon's opinion was that the College has adequate and effective risk management, control and governance processes to manage its achievement of the Colleges objectives;

this report is also reliant on outcome of the funding audit and may be subject to subsequent amendment. The report was received.

#### **05/08 FUNDING AUDIT MANAGEMENT LETTER – INTERIM CLAIM**

A report was considered. The Committee noted that:

- the college should have received by now a completed management letter on the interim audit of the learner record. However, several issues have arisen which have caused delays
- the auditors are carrying out further sampling work on eligibility and guided learning hours.
- Further work and a timetable have been agreed – including work not completed by the auditors in October.
- as a consequence the College will not be able to close the accounts to submit to the LSC by 31 January. The College has written to London East LSC to make them aware of the delay and the reasons for it.

The report was received.

#### **05/09 ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 JULY 2004**

A report was considered. The Committee noted that:

- the draft final accounts 2003/2004 showed an operating deficit of £986k as previously reported
- there is a revised depreciation policy for purchase of IT equipment which is now being treated as a capital asset.
- The College cannot close the accounts because the funding audit is not yet complete
- An extra paragraph re Newham foundation is to be inserted in the letter of representation

It was **AGREED** that:

- Subject to the funding audit opinion not materially changing the accounts (see minute 05/07) that the accounts be approved and the Chair will sign the letter of representation.

#### **05/10 FINANCIAL STATEMENTS AUDIT MANAGEMENT LETTER 2003/04**

A report was noted and received.

#### **05/11 FINANCE**

##### **05/11.1 FINANCIAL REPORT FOR THE PERIOD TO 30 NOVEMBER 2004**

A report was noted and received

##### **05/11.2 FINANCE UPDATE**

A report was considered. The Board noted that:

- There is a current surplus for the college of £237k against a budgeted figure of £162k
- The figure for the group is £283k against a budgeted figure of £186k
- there are some issues with respect to the funding of three programme areas:- Prince's Trust Volunteer programme, Foyer project and door supervisor training. This issues only came to light some 5 months into the financial year with the LSC national office claiming that the funding of these programmes had moved to the local LSC (neither the college nor the local LSC were aware of this).
- The whole of the funding of £795k for this year for the Prince's Trust Volunteer programme is in question as the LSC has informed the college that this now forms part of the College's main allocation which is a change from previous years. The

LSC has made a payment of £100k for January and the college continues to work with the National LSC office to secure additional funding as cancelling these programmes could lead to adverse national, as well as local, publicity

- The college is being asked to take over other similar work but has now declined to do so in the absence of appropriate funding

The report was received.

## 05/12 **BORROWING REQUIREMENTS**

A report was considered. The Board noted that:

- The Cash flow issue is becoming more urgent.
- It is proposed to take out a £2m unsecured term loan
- This sum gives sufficient flexibility as the College will run out of cash at end of February.
- borrowing against the needs of the capital programme should not affect the College's Financial category A rating

It was **AGREED** that:

- the resolution authorising the Chair, Principal or any one other governor to sign on behalf of the Board a facility agreement for borrowings of not more than two million pounds (£2,000,000) with a major bank be approved

The report was received.

## 05/13 **TUITION FEES TOP-UP FEES FOR HE COURSES**

A report was considered. The Board noted that:

- the Principal had ascertained that FE colleges were equally divided between those intending to charge the full fee and those intending to charge no top-up fee.
- the college's unique selling point will be to focus on widening participation
- the policy can be reviewed next year

It was **AGREED** that:

- the recommendation not to charge top up fees for directly funded HE courses be endorsed.

The report was received.

## 05/14 **EUROPEAN FUNDED PROJECTS REPORT EU AND OTHER PROJECT FUNDING**

A report was considered

It was **AGREED** that:

- The Principal conveys the Board's congratulations to staff on securing the new projects.

The report was received.

## 05/15 **CAPITAL PROJECTS PROGRESS REPORT**

A report was considered. The Board noted that:

- The request for extra expenditure has been accounted for in cash flow.
- As a result of this work Stratford will not only benefit from much enhanced accommodation but also have a more coherent campus structure.

It was **AGREED** that:

- The expenditure be approved

The report was received.

## 05/16 **DISPOSAL OF LITTLE ILFORD**

A report was considered. The Board noted that:

- it was hoped to alleviate the Education Covenant under the council's UDP so as to increase the open market value of the property
- the reported valuation is based on the covenant being retained.
- an offer had been received from the LEA. However, it was well below the valuation

It was **AGREED** that:

- Disposal of the Little Ilford site by sale on the open market be approved.

The report was received.

## 05/17 **3 YEAR DEVELOPMENT PLAN & LSC REVIEW**

A report was noted and received

**05/18 INDEPENDENT REVIEW OF FE, AND LSC AGENDA FOR CHANGE**

A report was noted and received

**05/19 NEWHAM FOUNDATION: PROGRESS REPORT**

A report was noted and received

**05/20 CROSS RIVER LEARNDIRECT: PROGRESS REPORT**

A report was considered.

It was **AGREED** that:

- Martin Tolhurst will be the representative of the Corporation at future general meetings of the Company
- that Newham College apply for and be allotted 244,800 shares of £1 fully paid; this will be paid for out of the proceeds of the Company distribution to the College (effectively a dividend) of the 2003/4 profits
- authorisation be given to the College to enter into a Joint Venture Agreement
- the Joint Venture Agreement be executed as a deed and authorisation is given for application of the seal by the Chair and one other governor (probably the Principal)
- the following action of The Board of the Company is endorsed: The Company has invited Barking and/or Havering Colleges to subscribe to the JVA, and then apply for allotment (with cash) of 235200 shares of £1 fully paid. This would represent 49% of the issued share capital of the Company

The report was received

**05/21 MINUTES OF THE MEETING HELD ON 21 SEPTEMBER 2004**

The Minutes of the meeting were agreed as a correct record. The Board noted that:

- further to minute 04/106 an Annual report on committee work is not a statutory requirement and therefore will not be produced in future as this is covered under the standing Committee Minutes items.

The minutes were received.

**05/22 Academic Standards and Performance Committee**

05/22.1 The notes of the meeting held on 23 September 2004 were considered and received

05/22.2 The unconfirmed minutes of the meeting held on 20 October 2004 were received. The Board noted that the committee had received a very good presentation on digitalbrain (the College's virtual learning system), and that the main business of the last few meetings centred around inspection matters.

The minutes were received.

**05/23 Staff Consultative Committee**

The unconfirmed Minutes of the meeting held on 4 November 2004 were considered.

The minutes were received.

**05/24 Student Consultative Forum**

The unconfirmed Minutes of the meeting held on 4 November 2004 were considered.

The Board noted that:

- Student attendance at this meeting has increased

- the Chair of the committee had agreed that in future a report would be produced for the meeting on the follow up to previously noted points.
- Students expressed particular concern over the cost and quality of catering; this contract had recently been re-let and students had been involved in the tendering process. However, College management would review the performance of the new contractor to see if further improvements could be made

The minutes were received.

## 05/25 **Audit Committee**

**05/25.1** The unconfirmed Minutes of the meeting held on 10 November 2004 were considered.  
The minutes were received

**05/25.2** An Oral report of the Audit Committee meeting of 18 January 2005

This was covered under minutes 05/05-05/08

**05/25.3** Appointment of Financial Statements Auditors

A report was considered. The Board noted that:

- Audit committee is satisfied with the current financial auditors
- Once the details of the regulatory audit are published we will be able to agree how many days will be required for this work.

It was **AGREED** that:

- Baker Tilly be re-appointed as the financial statements auditors and as the regularity auditors
- The Chair be authorised to sign the letter of engagement in due course

## 05/26 **MINUTES OF THE SEARCH COMMITTEE**

The Minutes of the meeting held on 21 September 2004 were considered

The minutes were received.

## 05/27 **CHAIR'S ACTION**

A report was considered. The Board noted that:

- A Chair's action was taken to approve Martin Tolhurst as the representative of the Corporation at general meetings of Cross River Learn Direct

It was **AGREED** to endorse the Chair's actions.

The report was received

## 05/28 **STRATEGIC OPTIONS FOR FUTURE DEVELOPMENT** **STRATEGIC OPTIONS FOR FUTURE DEVELOPMENT**

*Confidential Minute*

*The report was received*

## 05/29 **CONFIDENTIAL MINUTES OF THE MEETING HELD ON 21 September 2004**

*Confidential Minute*

*The minutes were received.*

## 05/30 **HUMAN RESOURCES & EMPLOYEE RELATIONS ISSUES**

*To consider the enclosed report.*

**HUMAN RESOURCES ANNUAL REPORT**

*Confidential Minute*

*The report was received*

**05/31 THAMES HOUSE***Oral report.***THAMES HOUSE***Confidential Minute**The report was received***05/32 FRANCHISE ISSUES***To consider the enclosed report FRANCHISE ISSUES**Confidential Minute**The report was received***05/33 STUDENT DISCIPLINARY ACTIONS 2003-2004***A report was noted and received.***05/34 APPOINTMENT OF THE CLERK TO THE CORPORATION***Oral report**Confidential minute***05/35 CENTRES OF VOCATIONAL EXCELLENCE (COVE)**

A report covering the College's CoVEs was considered. The Board noted that:

- A proposed CoVE in partnership with London Metropolitan University will not be proceeding to an adverse inspection outcome at the university (as reported to the College by the local LSC)
- A new partner will be sought with the emphasis on jewellery design Like the Rail Industries CoVE, the Textiles and Clothing CoVE now has fully approved status.

The Chair congratulated staff on the work of the three CoVEs.

The report was received.

**05/36 CUSTOMER COMPLAINTS 2004-2005**

A report was considered. The Board noted that:

- The Response time is not yet being recorded but the process for doing so had been put in place so this should be reflected in future reports

The report was received.

**05/37 LSC / HEFCE / DFES MATTERS**

A report was considered. The Board noted that:

- this information is available on the DFES/LSC/HEFCE website

It was **AGREED** that:

- The clerk circulate a report by email every month

A report was received.

Signed as a correct record

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 Parin Bahl Chair of the Board