



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

MINUTES OF THE MEETING HELD ON 19 APRIL 2005

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

APOLOGIES: John Garlick , Mike Thorne , Alexis Dalton

IN ATTENDANCE: Denise Brown, Kath Sherit and Naomi Shoffman (Clerk to the Corporation).

05/38 DECLARATIONS OF INTEREST

Quintin Peppiatt declared an interest in the items on Tuition fees (minute 05/44.3) and Building Schools For The Future (minute 05/45.2)

05/39 APOLOGIES

The Chair reported that Sir John Garlick is not well and has advised her that he will not be able to attend further meetings (see minute 05/54.2). The Board asked that their best wishes be conveyed to Sir John.

05/40 THREE YEAR DEVELOPMENT PLAN

A report was considered. The Board noted that

- Further to the Government's Success For All (SFA) strategy the College had developed and submitted a 3 year development plan for the period 2003-06 which in the main was on course to meet or exceed targets
- The LSC has now abandoned the SFA 3 year development plan after 2 years and thus Colleges are required to develop new 3 year plans. Alongside this there has been a shift in priorities viz provision which has left the College with a range of key issues to address
- The College is awaiting LSC notification on the proposed finance allocation for next year but so far what has been mooted is not good news
- On the 28th April there will be a review meeting between the College and the LSC
- The final allocations are due by the end of May
- There is no action required at present by the Board

The report was received.

05/41 QUALITY REPORTS

05/41.1 LSC Provider Financial Assurance Review

A report was considered. The Board noted that

- The College was denied the right of appeal.
- The Principal considers that the response received to a request for an appeal was tantamount to the LSC officer hearing the appeal in absentia

It was **AGREED** that:

- The Board support the Principal's recommendations to
 - accept the PFAR report but to submit a statement to the LSC to put on record the Corporation's objections to some of its content; and
 - to delegate to the Chairs of the Board and the Audit Committee along with the Principal the authority to submit an action plan to the LSC.

The report was received.

05/41.2 OFSTED and Quality improvement action plan

A report was considered. The Board noted that:

- The plan will be monitored by the Academic Standards and Performance Committee who will report back to the Board.
- In addition to this monitoring process, under the revised inspection arrangements, an annual HMI review will take place and as part of that remit will review Quality improvement.

It was **AGREED** that:

- The plan is approved

The report was received

05/41.3 Outcome of Ofsted Inspection of Nursery Provision at East Ham Campus, Stratford Campus and Royal Docks Learning Zone nurseries

A report was considered. The Board noted that:

- All three nurseries achieved the top grades for all aspects inspected
- East Ham Campus nursery received a discretionary additional grading of 'outstanding' for Care, Learn and Play

The report was received and Governors congratulated the staff on their achievement

05/42 PERFORMANCE AGAINST CONTRACTS 2004-2005

A report was considered. The Board noted that:

- The College is at this stage 4.5% behind last year in terms of learner numbers
- The projected outturn is 3.2% below contract
- The College is taking actions to improve performance by the year end
- Adult enrolment is lower than in previous years.
- The Principal believes that there is a correlation in the reduction of numbers related to the reintroduction of adult full time fees.

The report was received.

05/43 FUNDING AUDIT

05/43.1 Funding Audit 2003/4 Management Letter

A report was noted and received.

05/43.2 Learner Records Improvement Action Plan

A report was noted and received.

05/44 FINANCE

05/44.1 Financial Report For The Period To 31 March 2005 To Include EU Projects

A report was considered. The Board noted that:

- There is a current surplus for the college of £416k against a budgeted figure of £446k
- The College's net cash position deteriorated significantly in March

2005 which necessitated the utilisation of the substantial bank loan facilities. The reasons for this have been reported previously.

- The cash forecast presented to the Board shows that the College has utilised bank facilities of £2,304k at the end of March 2005 and this will increase to a maximum level of £2.9m in mid April before moving back to a cash positive position once the LSC main contract funding has been received

The report was received.

05/44.2 Financial And Treasury Strategy

A report was considered. The Board noted that:

- The deteriorating current ratio made it necessary to take up the borrowing facility
- This will bring the current ratio of 1:1 back up to 1.3:1
- The target value for a Financial Grade A college is 1.5:1
- Other proposed changes centred around the term loan.

It was **AGREED** that:

- The College's Financial And Treasury Strategy is approved

The report was received

05/44.3 Tuition Fees Policy 05/06

A report was considered. The Board noted that:

- It was proposed to charge higher fees for higher demand courses. One of the Governors expressed concern that this will create a discriminatory fee structure. College management advised that most students would still be eligible for a fee remission or could apply to the hardship fund. Furthermore these charges would more likely affect part time students who are normally working and these courses should lead to better paid jobs.
- The fees structure will need to be revisited once the College knows its allocation from the LSC.
- Level 3 provision is likely to become most affected.
- There is no longer in Colleges any guaranteed funding for 16-18 year olds.

It was **AGREED** that:

- The College's Tuition Fees Policy 05/06 is approved

The report was received

05/45 ESTATE ISSUES

05/45.1 Accommodation Projects' Progress Report

A report was noted and received.

05/45.2 Building Schools For The Future – Phase 2

A report was considered. The Board noted that:

- The investment appraisal carried out for B Block showed a satisfactory net present value
- Tenders had been received from four contractors
- The two lowest bids came in at a difference of just under £70.
- The lowest bid of £2,270,028 was from Mansells who are currently contracted to Newham College on several other jobs
- There were advantages and disadvantages to be considered with both Of the contractors who had submitted the two lowest bids. Having weighed these up it was generally agreed that Mansells would be best placed to do the job. However there was some concern as to the risk exposure should the College place all its work with one contractor.
- Currently the work Mansells is contracted for is just over £2m and

therefore including £2.3m for this job the total contract would be worth over £4m. Before approving their appointment the Board would need reassurance as to what proportion of Mansells business this figure would represent.

It was **AGREED** that:

- The appointment of Mansells as contractor for phase 2 be approved subject to further checks in respect of the company's financial health which if satisfactory will be ratified by the Chair.

05/45.3 Thames House

An Oral report was received. The Board noted that:

- The College is moving towards moving out by September 2005 without any penalties if this can be achieved.
- As considerable costs would be incurred in vacating, the College has asked for £100k towards moving out. The College was informed at the time from LDA that they will receive a response to this request within 48hrs but as yet have heard nothing
- The College is seeking a deferment of the court hearing on this matter.

The report was received

05/45.4 Properties at Stratford

A report was considered. The Board noted that:

- The recommendations are made subject to a satisfactory negotiation with the LDA to withdraw from Thames House

It was **AGREED** that:

The following two recommendations be approved:

- The acquisition of Boardman House Stratford on a 10 year lease.
- The termination of the lease for 40 The Broadway and the Port of London bungalow

05/46 SUBSIDIARY COMPANIES

05/46.1 Newham Foundation: Progress Report

A report was noted and received

05/46.2 East London e-Learning (formerly Cross River Learndirect Ltd)

05/46.2.1 Funding and Performance Report

A report was noted and received

05/46.2.2 Company Secretary Report

A report was noted and received

05/47 RISK MANAGEMENT POLICY

A report was considered. The Board noted that:

- The policy has been updated by the deletion of references to the funding auditor and the inclusion of references to the regulatory auditor
- Other changes have been made in response to the recommendation which came out of the PFAR that a more detailed scrutiny of the College's financial planning should be introduced
- An annual review of the risks will be reported to the Board at its July meeting

It was **AGREED** that:

- The proposed amendments to the Risk Management Policy be approved:

05/48 MINUTES OF THE MEETING HELD ON 18 JANUARY 2005

The Minutes of the meeting were agreed as a correct record.
The minutes were received.

05/49 MATTERS ARISING FROM THE MEETING HELD ON 18 JANUARY 2005

Re Minutes 05/06 and 05/07:

To note that the outcome of the funding audit has resulted in amendments being made to the annual reports of the Audit Committee and the Internal Audit Service (see minute 05/53.4).

The Annual Report of the Audit Committee has also been amendment to include the opinion of the Financial Statements Auditor (as per the Financial Statements Auditors management letter) which had not been finalised at the time of the drafting of the report.

05/50 Academic Standards and Performance Committee

The unconfirmed minutes of the meeting held on 10 February 2005. The Board noted that:

- The main business of the meeting had centred on Student Retention and Achievement, the SAR, Quality Improvement and inspection matters.

The minutes were received.

05/51 05/51.2 Staff Consultative Committee

The unconfirmed minutes of the meeting held on 10 February 2005 were considered. The Board noted that:

- The minutes stated incorrectly that Ed Prosser had chaired the meeting rather than Linda Jordan, the Clerk will correct the error.
- The main business of the meeting had centred on inspection, campus management and Estate and facilities issues.

The minutes were received.

05/51.2 Staff Representatives

The Clerk reported the outcome of the election of the new staff representatives. The election had been well supported and the five new representatives will serve a two year term with effect from May 2005

05/52 Student Consultative Forum

The unconfirmed Minutes of the meeting held on 10 February 2005 were considered.

The Board noted that:

- Kath Sherit was not in attendance, the Clerk will correct the error
- The Principal gave a summary of the Ofsted Inspection report and the students congratulated staff on the outcome
- Concerns raised included problems with IT facilities, lack of tutorials for part time students, disruptive students and limited contact hours

The minutes were received.

05/53 Audit Committee

05/53.1 Minutes of the meeting held on 18 January 2005

The Minutes of the meeting held on 18 January 2005 were considered.

The minutes were received.

05/53.2 Minutes of the meeting held on 16 March 2005

The unconfirmed Minutes of the meeting held on 16 March 2005 were considered.

The Board noted that:

- The main business of the meeting centred around
 - The Funding Audit
 - Several internal audits

- LSC reviews of ESF Co- Finance reports
- Regulatory audit arrangements
- Cross river learn direct management controls report
- Newham Foundation financial audit management letter
- Student Fees
- Review of the Financial rules for business

05/53.3 Financial rules for business

A report was considered. The Board noted that:

- The proposed amendments have been scrutinised by the Audit committee and commended to the Board for approval
- The terms of reference of the Remuneration Committee have been changed (see minute 05/55)

It was **AGREED** that:

- The proposed amendments to the Financial rules for business be approved:

05/53.4 Annual Report of the Internal Audit Service

A report was considered. The Board noted that:

- The report had been revised to take account of the outcome of the Funding Audit
- The Chair of the Audit Committee had noted a disparity, with respect to recommendations made, between the Internal Audit Service and Funding Auditors report which will be considered at the next Audit meeting

The report was received.

05/53.5 To appoint the next Chair of Audit Committee

It was **AGREED** that:

- Jonathan Swan is appointed Chair of the Audit Committee.

05/54 MINUTES OF THE SEARCH COMMITTEE

05/54.1 Minutes of the meeting held on 18 January 2005

The minutes of the meeting held on 18 January 2005 were considered
The minutes were received

05/54.2 Meeting held on 19 April 2005

An oral report was received. The Board noted that

- Further to Sir John Garlick's intention to retire at the end of this academic year the Committee had considered the CV of Mr Hugh Harris who has a similar skill set to Sir John and recommends to the Board that he be appointed to fill the vacancy created by Sir John Garlick's retirement
- Other business covered was the progress on the search for a replacement for Neal Berry , as yet unsuccessful; a review of the terms of reference (no change) and the continuing absence of the Student Governor.

It was **AGREED** that:

The following Search Committee recommendation be approved:

- That Mr Harris be appointed to the Board upon Sir John Garlick's retirement and that he be invited to the May Board conference as an observer
- That Jonathan Swan be appointed as Chair of the Audit Committee for the remainder of the academic year. (see minute 05/53.05)

05/55 Remuneration Committee

Meeting held on 19 April 2005

An oral report was received. The Board noted that

- The Remuneration Committee agreed to commend to the Board a change to its terms of reference whereby the remit of the committee will be to look at the remuneration of Senior post holders only with the responsibility for executive directors remuneration being delegated to the Principal. .
- The remuneration of the Principal and Deputy Principals were reviewed and agreed and will be implemented by Chair's action
- The Chair will brief members on the specific details of the senior post holders' remuneration packages on a one to one basis should they wish

It was **AGREED** that

- The revisions to the Terms of Reference are approved.

05/56 CHAIR'S ACTION

A report was considered. The Board noted that:

- A Chair's action was taken to approve and sign the annual report and accounts
- A Chair's action was taken to approve the College's borrowing facility

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

The report was received

05/57 STRATEGIC OPTIONS FOR FUTURE DEVELOPMENT

Confidential Minute

The report was received

05/58 CONFIDENTIAL MINUTES

05/58.1 Board

05/58.1.1 Confidential minutes of the meeting held on 18 January 2005

Confidential Minute

05/58.1.2 Confidential Matters Arising From The Minutes

Confidential Minute

05/58.2 Audit Committee - Minutes of the meeting held on 16 March 2005

Confidential Minute

05/59 HUMAN RESOURCES & EMPLOYEE RELATIONS ISSUES

Confidential Minute

The report was received

05/60 FRANCHISE ISSUES

Confidential Minute

The report was received

05/61 STUDENT DISCIPLINARY ACTIONS FOR PERIOD 1 JANUARY 2005--31 MARCH 2005

Confidential Minute

The report was received

05/62 THE QUEEN'S AWARD FOR ENTERPRISE

Confidential Minute

The report was received

05/63 CONFIDENTIAL ITEM

Confidential Minute

The report was received

Signed as a correct record

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Parin Bahl Chair of the Board

The meeting ended at 20.03.