

**HILLS ROAD SIXTH FORM COLLEGE
Corporation**

Minutes of the Meeting held on Wednesday 25 March 2015

Present:

Corporation Members Peter Southwick (Chair), Hazel Borrett, Peter Brindle, Edmund Brookes, Jonathan Culpin, Uvini Edirisinghe (agenda 8-22 only), Ian Harvey, Edna Murphy (except for agenda 1-7, 9-11 and 13), Johnnie Sam (except for agenda 1-7, 9-11 and 13), Linda Sinclair (Principal), Frankie Williams.

Clerk to the Corporation Robert Smith.

Observers Jill Aberdour (Assistant Principal: Resources), Dave Jones (Assistant Principal: Planning and Quality), Jo Trump (Deputy Principal), Francesco Dernie (Student Observer).

1 Apologies for Absence and Quoracy

The Clerk to the Corporation reported that apologies for absence had been received from the following members of the Corporation: Vivien Brownlee, David Secher, Julie Taylor.

The meeting was quorate.

2 Declarations of Interest

No declarations of interest were made in relation to the business to be transacted.

3 Minutes of the Previous Meeting: 11 February 2015

The minutes were approved as a correct record of the business transacted, and *prima facie* evidence of the proceedings to which they relate.

4 Matters Arising from the Minutes

None.

5 Draft Minutes of Committees

The following draft minutes were received for information:

Audit Committee 25 February 2015

6 Appointment of Staff Nominee Member of the Corporation: Anna Moore

Members approved the following resolution:

THAT, Anna Moore, having been duly nominated by election, be appointed to serve as a Staff Nominee Member of the Corporation for the period from 23 May 2015 to 22 May 2019 inclusive.

7 Appointment of Student Nominee Member of the Corporation: Uvini Edirisinghe

Members approved the following resolution:

THAT, Uvini Edirisinghe be appointed to serve as the Student Nominee Member of the Corporation for the period from 25 March 2015 to 22 March 2016 inclusive.

8 Appointment of Member of the Corporation

It was agreed that the Search and Governance Committee should use its best efforts to recruit a member of the Corporation from a minority ethnic community in order to better reflect the composition of the College, subject to the person appointed having a relevant skill set and experience.

It was also noted that the Corporation has the power to co-opt persons with appropriate skills to committees, and that this might provide a way of introducing potential members to the work of the Corporation.

9 Study Programmes (Paper 14/23)

A paper setting out the background and context, key features, and the College's approach to study programmes was received and discussed as a development item for the information of members.

10 Principal's Report (Paper C 14/24)

The report - including information on applications from Year 11 students for 2015-16, adult education enrolment, Government performance tables, pay appraisal & performance management, the Drop the Learning Tax campaign, political manifestos, Prevent strategy, Student Council elections, and College diary - was received.

In relation to Government performance tables it was noted that the College's score of 0.22 indicates that students achieve more than one fifth of a grade per A level entry better than might have been expected based on their prior GCSE results – the fifth strongest sixth form college score out of 92.

In relation to the Drop the Learning Tax campaign, it was noted that the Prime Minister's reply to a question asked by Julian Huppert MP did not indicate that the tax relief sought to ensure equal treatment between 16-18 providers would be granted.

In relation to the Prevent strategy it was noted that it is a condition of funding that all further education providers comply with relevant legislation and attendant statutory responsibilities, and that a meeting had been arranged with the Prevent Regional Officer for Further and Higher Education to help the College identify how it might best fulfil this duty.

11 Phase V Update (Paper C 14/25)

A paper prepared by the Assistant Principal (Resources) was received and considered. It was noted that:

- the enabling works (cycle and bin stores) are due for completion by 27 March 2015;
- the main works will commence on 30 March, and will include a full acoustic survey of the new building at the instance of the Environmental Health Officer; and
- arrangements are in place to minimize noise during the examination period.

12 Governance Survey (Paper C 14/26)

A paper reporting the outcome of the governance survey prepared by the Clerk to the Corporation, and previously considered by the Search and Governance Committee, was received and considered.

It was noted that some measures of satisfaction are less strong than others, notably the following aspects:

- the Corporation determines and reviews the College's mission and educational character;
- the Corporation ensures its ownership of the Strategic Plan;
- the Corporation monitors effectively the College's arrangements for consulting staff and students concerning its strategic direction and the oversight of its activities;
- the Corporation monitors effectively the College's curriculum offer;
- Corporation members are provided with all the information that they require to fulfil their role; *and*
- Corporation members are provided with the training/briefing that they require to fulfil their role.

The Search and Governance Committee were asked to consider a range of measures to address the above, including:

- the use of on-line information for members, particularly in relation to new legislation and sector developments;
- the opportunity for existing members to be included in induction sessions for new appointees;
- use of an 'away day' for the Corporation to reflect on how it works; *and*
- whether Corporation effectiveness should be assessed by an external person, including a 'mock inspection' of the members.

It was noted that the schedule of development agenda at each Corporation meeting is intended to deepen members' understanding of important aspects of the College.

13 Financial Report to Period 6 (Paper C 14/27)

The management accounting report, prepared by the Assistant Principal (Resources) was received and considered.

It was noted that:

- the projection for the Group surplus for the year (pre FRS 17 adjustment) is in the region of £65,000 (target: £50,000);
- the projection for the subsidiary undertaking for the year is in the region of £75,000 (target: breakeven);
- the projection for the Group operating surplus after application of FRS 17 is in the region of £40,000;
- cash days in hand are 115.6 (target: 25); *and*
- the financial health category is 'Good' (target; 'Outstanding').

Members additionally noted that:

- the financial health category for 2014-15 is anticipated to be 'Outstanding' at the year-end since funding from the Building Condition Improvement Fund (BCIF) had moved from a payment on account under current liabilities to a deferred capital grant in the equity area of the balance sheet, thereby having a positive effect on the current ratio;
- the projected outturn reflects the previous year's experience and the continued downturn in funding, strong performance of the subsidiary undertaking and other known adjustments;
- the Corporation having approved the resolution concerning Phase V of the College's Property Strategy, a budget of £4.6million is being funded by a £1.5million grant from the BCIF, a £1.85million Barclays loan (not yet drawn down) and College reserves;
- the current projection for the College indicates a deficit for the year (pre FRS 17 adjustment) in the region of £15,000, excluding an exceptional item of accelerated depreciation (£85,000) because of the demolition of the stable block;
- the forecast FRS 17 adjustment is £23,000 (2013-14: £49,000) which will yield a post FRS 17 surplus of around £42,000 (2013-14: £154,000); *and*
- a fall in income generation owing to increased competition for the provision of counselling courses had been experienced.

As planned, this year and next the College is projecting an operating deficit offset by surpluses from the subsidiary undertaking.

14 College First Draft Budget 2015-16 (Paper C 14/28)

A first draft budget prepared by the Assistant Principal (Resources) was received and considered.

It was noted that:

- a Group consolidated surplus of around £45,000 (including £80,000 from the subsidiary undertaking [Cantabrigian Limited]) and a deficit of around £35,000 from the College, is provided before the application of FRS 17 (treatment of pension liabilities in accounts);
- reduced funding and a change in the environment for the delivery of A levels have had a significant impact on the College and, although there has been some movement to assist colleges with larger programmes this will be more than offset by the significant increase in employer payroll oncosts as a result of national insurance and teacher pension changes;
- the College still expects to implement Option C, as approved by the Corporation, but is reviewing earlier modelling to mitigate the risk of a financial deficit in 2016-17 and beyond, as reflected in the College's 4-year rolling financial forecast to be considered by the Corporation in the Summer Term;
- the College has received its 16-19 allocation statement for 2015-16 which is below the level previously modelled by the College owing to a change in the funding rules for 16-19 students enrolled on the College's adult education programme who, from the current year, no longer attract EFA funding – the cut in funding results from a technical consequence of this decision, applies to the College for one year only, has depressed the College's allocation by just under £140,000 and is the subject of appeal by the College which is requesting a rebasing for its student numbers;
- the following factors could influence the development of the budget, including:
 - the potential rebasing by the EFA of the profile of the study programme size for 16-19 learners noted above;
 - the level of adult education activity;
 - revenue secured from lettings;
 - the teaching/tutor staff timetable;
 - results of the subsidiary undertaking; *and*
 - the outcome of the FRS 17 pension valuation.
- inflation of 1% had been applied to non-discretionary budgets, with most others budgets receiving a 5% reduction; *and*
- provision had been made for a 1% pay award, to be absorbed within a reducing budget and without any anticipation of an inflation uplift to the national funding rate.

A particular issue had been noted in respect of High Need student support. The funding for this support does not adequately cover the attendant expenditure which is a serious concern as the number of such students has increased.

It was suggested that the budget should include a modest fundraising target. In this connection the need to communicate to parents the effects on the College of repeated funding cuts is regarded as important.

The draft budget was approved as a basis for its further development.

15 Barclays Bank: Letter of Variation (Paper C 14/29)

Members approved the Letter of Variation for signature by the Chair of the Corporation and the Clerk to the Corporation.

16 Risk Management Registers (Paper C 14/30)

Registers, previously considered by the Audit Committee, were received and approved.

17 Financial Statements Audit Tender: Outcome (Paper C 14/31)

Members approved the re-appointment of MacIntyre Hudson as the College's financial statements auditor for the period and on the terms recommended by the Audit Committee.

18 Internal Audit Report: Long-Term (3 Year) Financial Planning and Budgetary Control (Paper C 14/32)

The said report was received and approved.

19 Internal Audit Report: Fundamental Financial Controls – WisePay (Paper C 14/33)

The said report was received and approved.

20 Equality and Diversity Report (Paper C 14/34)

The said report was received and approved.

21 Any Other Competent Business

The staff member Vivien Brownlee was thanked in her absence for her period of service on the Corporation.

22 Date and time of next meeting

Wednesday 10 June 2015 at 6.30pm