



CORPORATION MEETING

Wednesday 22 July 2009 at 5.15 pm in the Conference Room, SmartLIFE Centre, Science Park Campus,
Kings Hedges Road, Cambridge

MINUTES

Present

Christopher Spokes (Chair)	Amanda Last
Barry Popplewell	Vicky Parrett
David Adamson	Alex Plant [until 7.40 pm]
Rick Dearing	Jill Preston
Andrew Herbert	Paul Smith
Anne Kent	Raymond Tait

In attendance

Chris Lang	
Steve Caley	[until 8.00 pm]
Andrea Chilton	[until 7.30 pm]

Clerk

Julia Kennedy

Section 1: General			Action
1	Declaration of Interest	Alex Plant declared his interest as Chief Executive of Cambridgeshire Horizons involved in funding decisions in relation to The Hive Project and Northstowe. David Adamson declared his interest as a voluntary advisor to Citylife.	
2	Apologies for absence	Apologies were received from Tony Cooper, Vernice Key and Reza Assadi. Chris Sherwin, who normally attends, also sent her apologies.	

3	Minutes of the meeting held on 1 April 2009 and Notes from the meeting of the Employer Responsive Workshop held on 20 May 2009	Corporation agreed the Minutes of the meeting held on 1 April 2009 as a true record, with one correction [page 3 City Council should read County Council] and they were signed by the Chair. Corporation received the notes from the Employer Responsive Workshop held on 20 May 2009.	
4	Matters arising from the minutes	There were no matters arising.	
Section 2: Matters for Decision and Information			Action
5	COR/26/08-9 Principal's Report including Strategic Plan 2009/10 to 2011/12 and Key Corporate Risks Update	<p>The Principal's report updated Governors on key developments and sought approval of two key strategies. Key issues were—</p> <ul style="list-style-type: none"> • Strategic and Business Plans 2008/09 and College Risk Register: Progress Update • Planning for 2009/12 • Progressing to Outstanding. <p>Appendices set out Performance Against Targets 2008/09, Strategic Plan 2009/10 – 2011/12, and Review of Risk and Opportunity.</p> <p>The impact of the recession, the LSC funding crisis and, more recently swine flu, meant that it had been a challenging year. Disappointingly, there is unlikely to be a surplus on the I&E account though the College now has a generally strong position overall in relation to cash balances and net current assets. The LSC had underestimated training demand and, as a result, sought to claw-back in-year Train to Gain funding. It had recently become clear that the LSC could support only a further 13 capital projects across the sector. CRC's completion of its capital project had been very timely; planning and starting early, as well as securing a major capital receipt at the top of the market, had paid dividends.</p> <p>On achievement against objectives and targets, there was strong performance in programme delivery and strong performance was anticipated in learner outcomes. Planning for the period 2009/12 focused on achieving "outstanding", maintaining learner numbers, and increasing the market share where possible. The College was aligning to the new harsh funding environment, with the possibility of significant funding cuts from 2011, and scenario planning would be brought to the Finance and Resources Committee in the autumn – and would focus on achieving efficiencies where possible. On 14-19, the Addenbrookes Diploma Centre was on track, and there was potential for development with the Uttlesford Schools. The results of the submission for 16-18 provision at Northstowe would be known in November. Despite the challenges, significant awards that recognised the achievement of individual staff and students had been gained, and the new buildings had been opened.</p>	

		<p>Governors discussed—</p> <ul style="list-style-type: none"> • the basis of the scenario planning and whether it would be “top down” or “functional” • the difficulty of coping with costs that continue to rise • the comparative situation in HE and schools • a new Property Strategy, to be considered at the Away Day on 15 January 2010. • international recruitment and the potential for working more closely with ARU • Train to Gain and some associated negative press reporting nationally • value of the Strategic Plan and the importance of identifying stakeholders, defining geographic coverage, and specifying the risks • whether the Risks and Opportunities section in the Plan required updating, whether “financial strength” should be incorporated into the Values Statement, and if the importance of working with the community – the Greater Cambridge Area – needed to be spelt out in the Plan • the Northstowe development and the anticipated growth in population from 2011 – which may coincide with further restrictions in FE funding: CRC would face difficulties if the funding for additional [unfunded] students were not consolidated in the following year • staffing implications: staff utilisation, the potential for efficiency gains, and whether a freeze on staff recruitment should be introduced • the potential impact on CRC of funding for sixth forms: funding had been provided to Cottenham, Comberton, and Parkside; this is expected to be limited • the need to incorporate the revised Ofsted inspection framework in the Plan. <p>Corporation <u>approved</u> the Strategic Plan 2009/10–2011/12, subject to amendment as discussed, and <u>approved</u> the proposal to develop and operate the new Northstowe College.</p>	Principal
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<p>6</p> <p>6.1</p> <p>6.2</p> <p>6.3</p> <p>6.4</p>	<p>Finance & Resources Committee</p> <p>Terms of Reference</p> <p>Minutes of the Meetings held on 20 May 2009 and 8 July 2009</p> <p>Notes from F&R Working Group on Financial Strategy held on 19 June 2009</p> <p>College Management Accounts, Period 11 2008/9</p>	<p>Corporation approved the revised Terms of Reference for the Finance and Resources Committee. Corporation reviewed the requirement for the Estates Working Group, as required by its the Terms of Reference, and approved the Estates Working Group for the 2009/10 year.</p> <p>Barry Popplewell, Chair of the Committee introduced the Minutes and explained that a sequence of meetings had been held to assist the Committee develop a longer range or strategic view. Variations from budget that were disclosed in the Period 11 Management Accounts, available only after the July meeting, were significant and would impact on the budget 2009/10.</p> <p>Corporation received and noted the Minutes of the Meetings held on 20 May 2009 and 8 July 2009, and the Notes from the Financial Strategy Working Group held on 19 June 2009.</p> <p><u>Management Accounts Period 11 2008/09</u> Chris Lang provided a presentation that is filed with these minutes: Period 11 management accounts forecast a deficit of £50,000 [£242,000 surplus forecast at period 10] and every effort was being made to minimise the deficit. The main causes were: income forecasts which were not able to be delivered in some areas; the impact of the recession on Apprenticeship numbers (and hence funding); international Summer School cancellations through swine flu scares in the media; and some cost over-runs. There have also been issues relating to: effectiveness of financial capability and support in some areas; some poor observance of financial procedures; and monitoring that did not pick up sufficiently quickly enough the impact of the recession.</p> <p>A range of remedial and corrective actions were being taken that included: detailed accurate forecasting; direct expenditure reductions; SMT/Directors focussing on resource management; and strengthening and centralising processes.</p> <p>Partly due to the projected 2008/9 outturn, late stage confirmation of budgets from LSC, uncertainties with LSC funding contracts and, hence, late College budgeting there is an increased risk in the I&E account, which will require a budget reforecast in autumn term for the F&R Committee and Corporation. The projected growth in 16-18 learner numbers, which is unfunded, will put further pressure on costs. The situation highlighted the critical importance of planned scenario planning and stress testing the college budget for 2010-14. Governors noted that the setback should not diminish recognition of the progress made: the balance sheet remained strong with good cash and net current assets positions, and a completed Single Site Project.</p>	
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<p>6.5</p>	<p>COR/27(i)/08-9 Director of Finance Report on Financial Planning</p>	<p>The Income & Expenditure Budget for 2009/10 totalled £40.071 million. Discussion focussed on the relative provision for surplus and contingency and whether to manage the increased risk by minimising the forecast surplus. Governors agreed to reduce the level of surplus shown whilst maintaining overall a £1million contingency/surplus. Governors also asked about the impact on “financial health”, and the potential for growth in income.</p> <p>Corporation considered the proposed Pay Award for 2009/10 at some length. The AoC recommendation of 1.5% had been built into budget calculations. The recommendation was subject to negotiation with the trade unions about securing efficiency gains in 2010/11. It was clarified that the effective date was 1 August 2009 and that 1.5% would be the upper limit. Governors agreed that it would be helpful to have three months performance to review before making an award, and asked that an update be brought that the November meeting of the Finance and Resources Committee.</p> <p>On the Capital Budget, Governors asked about the timing of expenditure – which was mainly on summer works, and considered the affordability of expenditure against the risks associated with generating a backlog of maintenance. Governors noted that a long term maintenance plan was in place but agreed that it would be helpful to be able to review proposed expenditure on summer works earlier in the year for 2010.</p> <p>The Financial Forecast: Governors noted this is an LSC requirement and would be amended to incorporate the revised level of surplus agreed at the meeting.</p> <p>Corporation approved—</p> <ul style="list-style-type: none"> • Income and Expenditure Budget 2009/10, subject to amendment as agreed and to reforecast in the autumn term • Capital Budget 2009/10 • Three-Year Financial Forecast 2009/10 to 2011/12. <p>Corporation noted—</p> <ul style="list-style-type: none"> • LSC Funding Methodology and Allocations 2009/10 • relative benchmarking positions and the risks identified • Balance Sheet and Cash Flow Budgets <p>Corporation deferred consideration of the proposed Pay Award 2009 to the autumn term.</p> <p><i>Andrea Chilton left at the end of this agenda item at 7.30 pm.</i></p>	<p>VP Finance & Resources</p>
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6.6	<p>COR/27(ii)/08-9 ICE (The Hive) Project Proposal</p>	<p>The business case for establishing a Business and Skills Centre on the City Wildlife Site [CWS] was circulated before the meeting.</p> <p>Alex Plant, Chief Executive of Cambridgeshire Horizons, explained that an unexpected reduction in government funding will result in a reprioritisation of Cambridgeshire Horizons capital budgets for 2010/11. Public partners had been asked not to enter into a financial commitment based on Cambridgeshire Horizons funding. Reprioritisation would be based on the existing objectives, taking into account funding leverage issues, but the impact on The Hive Project was not yet known. There would be more information following the Board meeting scheduled for 30 September 2009.</p> <p><i>Alex Plant then left the meeting. The time was 7.40 pm.</i></p> <p>Chris Lang referred to the business case and the need to consider the proposal for a capital drawdown for the project in order to secure funding from the Housing Growth Fund [HGF]. He explained that the main discussion at the Finance and Resources Committee had focussed on revenue and pay back. The Committee recommended a capital contribution from CRC of £300,000.</p> <p>Governors asked about and discussed—</p> <ul style="list-style-type: none"> • Citylife and the back-to-back sale and contractual commitment to the site • timing of approvals required to complete building by summer 2011 in order to align with the end of the lease for Brookmount Court • whether Citylife would be interested in, and have funds available, to acquire the whole site • the value of the land as a College asset • other organisations seeking HGF funding, risks associated with the funding availability, and whether part funding might be offered • the forecast income growth and comparison with the income generated by the SmartLife building • the relationship of this project to the College's strategic direction including sustainability. <p>Corporation approved a capital contribution of £300,000 in order to lever funding of £2.3m from the Housing Growth Fund, subject to the availability of that funding and to appropriate contingency planning.</p> <p><i>Steve Caley left during this agenda item at 8.00 pm.</i></p>	VP Finance & Resources
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6.7	<p>COR/28/08-9 Final Report on Single Site Project</p>	<p>A post project review was in hand and a post occupation assessment would be undertaken in two years' time.</p> <p>Corporation noted that the project had been completed to a high standard on time and within budget. Corporation congratulated the officers and the team and noted that letters of congratulation would be sent.</p>	VP Finance & Resources
7	<p>Learning & Achievement Committee</p> <p>7.1 Terms of Reference</p> <p>7.2 Minutes of the Meeting held on 1 July 2009</p> <p>7.3 COR/29/08-9 Report from the Committee</p>	<p>The Committee recommended the Terms of Reference without amendment. Corporation approved the Terms of Reference of the Learning and Achievement Committee.</p> <p>Corporation received the Minutes of the meeting of the Learning and Achievement Committee held on 1 July 2009.</p> <p>The report informed the Corporation about the key issues considered by the Committee and provided an update on changes to the Ofsted Common Inspection Framework, arrangements for inspections, and impact on CRC. Appendices covered—</p> <ul style="list-style-type: none"> • Learning and Achievement Performance Report 2008/09 • Good New Items • Changes to the Common Inspection Framework, including structure of grades and information on evaluating the safeguarding learners and promoting equality and diversity. <p>The report identified that the new inspection methodology, available after the Committee met, had a particular focus on learners feeling safe, safeguarding learners, and equality and diversity. The grades achieved in these areas would be limiting grades. The report recommended a series of actions to minimise the risk to the College from the changed methodology.</p> <p>Governors asked about student satisfaction and distance travelled, and the impact of funding cuts, and noted that the Performance Report showed a consistently good picture. The Principal confirmed that the aim is to achieve the top decile in efficiency and quality.</p> <p>Corporation noted that good progress had been made against all the Strategic Aims monitored by the Committee, and approved the key actions set out in the report in relation to the new inspection methodology.</p>	VP Learning & Achievement

8	Audit Committee		
8.1	Terms of Reference	No amendments were recommended by the Committee to its Terms of Reference. Corporation approved the Terms of Reference of the Audit Committee without amendment.	
8.2	Minutes of the meeting held on 22 June 2009	Corporation received the Minutes of the meeting of the Audit Committee held on 22 June 2009.	
8.3	COR/30/08-9 Strategic Internal Audit Plan 2009/10 to 2011/12 and Annual Plan 2009/10 and Re-appointment of Internal Audit Service for 2009/10	<p>The Audit Committee recommended the appointment of PricewaterhouseCoopers as internal auditors for a further year but noted that this would be the final year of the present contract. Governors asked about—</p> <ul style="list-style-type: none"> • value of contract • the extent to which the Committee can direct the focus of internal audit, for example on processes around purchasing • the need for increased focus on risk management in view of the present volatility of the environment. <p>Corporation approved—</p> <ul style="list-style-type: none"> • Strategic Internal Audit Plan 2009/10 to 2011/12 • Annual Internal Audit Plan 2009/10 • Re-appointment of PricewaterhouseCoopers as the Internal Audit Service for 2009/10. 	VP Finance & Resources
Section 3: Corporate Governance			
9.1	Election of Chair and Vice Chair of the Corporation for 2009/10	<p>The Chair and Vice Chair of the Corporation are elected annually. The Clerk took the chair of the meeting and requested nominations for the positions. Christopher Spokes was nominated as Chair by Raymond Tait and seconded by David Adamson, and Barry Popplewell was nominated as Vice Chair by David Adamson and seconded by Andrew Herbert.</p> <p>Corporation unanimously approved the election of Christopher Spokes as Chair and Barry Popplewell as Vice Chair for the 2009/10 academic year.</p>	
9.2	COR/32/08-9 Corporation and Committee Membership 2009/10	Corporation approved Committee Membership 2009/10 as set out in the schedule. Governors noted the vacancy on the Audit Committee and discussed the requirement for financial skills on both the Finance and Resources Committee and the Audit Committee. [<u>Clerk's note</u> : Vicky Parrett subsequently volunteered for membership of the Audit Committee].	Clerk

9.3	Valedictory: Raymond Tait and Amanda Last	<p>The Chair spoke in appreciation of the substantial contribution made by both Raymond Tait [Governor from 1999] and Amanda Last [Governor from 2000] to the work of the Corporation and its Committees.</p> <p>Corporation thanked Raymond Tait and Amanda Last and wished them well for the future.</p>	
10	Evaluation of the meeting and identification of any changes necessary to maintain the effectiveness of the	<p>In order to evaluate the meeting and identify any changes necessary to maintain the effectiveness of the Corporation, the Chair asked the following questions—</p> <ul style="list-style-type: none"> • Were the agenda and papers clearly presented? • Was there time for sufficient debate and critical review of each item? • Do members consider that they were able to participate fully? <p>An affirmative answer was provided to each question. Although the financial situation meant that late information was provided, Governors agreed there had been a good opportunity for thorough discussion.</p>	
11	Date of next meeting: 15 October 2009	The date of the next meeting was confirmed as 15 October 2009.	

The meeting closed at 8.30 pm.

Signed (Chair)
Christopher Spokes

Date.....