

LEEDS COLLEGE OF BUILDING

CORPORATION MEETING

Minutes of the meeting held on Tuesday 15 November 2011 at 4.00 pm in Room S14 at Stourton.

PRESENT:

C Harrigan (Chair)
C Armstrong
I Billyard
C Cardiss
Councillor G Driver
J Evans
A Finn
A Gamble
J Hansborough
D Hutchinson
A Iveson
M Joyce

IN ATTENDANCE:

D Pullein (Executive Director - Finance)
R Scanlan (Clerk to the Corporation and Executive Director - Support Services)
D Whitehead (Deputy Principal and Executive Director - Curriculum and Quality)
N Fearnside (Secretary - minutes)

**ACTION
BY AND
TARGET DATE**

1. CHAIR'S COMMUNICATIONS

The Chair welcomed everyone to the meeting and asked D Whitehead to give a brief update on the Higher Apprenticeship Bid.

D Whitehead reported that notification has now been received that the bid was successful. The project will involve developing a HND Sustainability qualification at Level 5 for three pathways: Construction Management, Building Services Engineering and Civil Engineering. Partners include Pearson (Edexcel), Construction Skills and various other colleges and employers.

D Whitehead stated that the College is also involved in the successful Higher Apprenticeship Bid for Facilities Management which was submitted by Asset Skills.

The Chair thanked D Whitehead for his work in submitting the bid.

2. DECLARATION OF INTEREST

There were no declarations of interest.

3. APOLOGIES FOR ABSENCE

Apologies for absence were received from P Rogerson, S Waite and M White.

4. MINUTES OF THE LAST MEETING

The minutes of the meeting held on 27 September 2011 were approved as a true record.

5. MATTERS ARISING

5.1 Ref Min 1.4

Actioned.

5.2 Ref Min 6

Actioned.

5.3 Ref Min 7

Taken under Agenda Item 12.

STRATEGIC ISSUES

6. UPDATE ON PROPERTY MATTERS

R Scanlan confirmed that the Enhanced Capital Grant application was submitted on time. A letter of support was received from the Planning Authority. A meeting has been arranged with Eversheds to discuss the procurement route.

A decision would be required at the next meeting on the appointment of a Project Manager.

An update on property matters would be a standing item on future agendas.

AUDIT ISSUES

7. INTERNAL AUDIT ANNUAL REPORT FOR 2010/11

D Pulein presented the Internal Audit Annual Report for 2010/11 prepared by RSM Tenon; this would be the last report from RSM Tenon as PKF have been appointed as internal auditors.

A green light had been given for all three areas (Governance, Risk Management and Control). All six recommendations made during 2010/11 were actioned.

Operational assurances for 2010/11 were all rated good (the highest assurance available). Overall the report was very positive.

The Corporation approved the Internal Audit Report for 2010/11.

FINANCE ISSUES

8. MANAGEMENT ACCOUNT POSITION STATEMENT

D Pulein presented a Management Account Position Statement as at 30 September 2011.

Concern was expressed that no reporting tools were yet available to interrogate the Individual Learner Record and therefore various assumptions have been made. A simple head count suggests that the College is on target with the right number of learners in the various categories.

8. MANAGEMENT ACCOUNT POSITION STATEMENT (continued)

Capital Grants have not been fully committed yet, therefore the subsequent release of grants is lower.

Tuition fees are ahead of profile due to income from the Enhancement Fund.

Due to the loss of the Educational Maintenance Allowance the College will use its Bursary Funds to help fund travel for students but not meal vouchers, Refectory income is anticipated to be reduced.

Other income is slightly up on profile; this will be monitored.

Part-time teaching costs are lower than profile. However, it is likely that there will be an overspend as there are issues in delivering the increased teaching hours.

Non pay expenditure is behind profile and will be monitored closely.

FRS17 assumptions have been reduced as last year's figures were below budget; the forecast outturn has therefore been reduced.

The Income and Expenditure account now shows a forecast outturn of £505,000; due to the reduction in FRS17 liability. The anticipated clawback by the Skills Funding Agency may also not happen, which will mean a much better financial position than anticipated at the end of the year.

The Balance Sheet is strong; showing net assets of £13,193,000. Some concerns were noted with regard to Debtors; bad debts written off to date stand at £895. The Creditors Report was noted.

The cash position is currently £9,566,950, with 241 cash days in hand. The long term cash flow forecast was noted.

Money Market deposits are £8,044,528.

9. DRAFT ACCOUNTS FOR 2010/11

D Pullein presented a summary of the draft Income and Expenditure account and Balance Sheet for 2010/11, which are subject to approval by the Auditors.

The net pension liability is just over £3m, compared to £3.5m the previous year. The end of year position for 2010/11 shows £706k surplus.

10. IMPLICATIONS OF THE OFFICE FOR NATIONAL STANDARDS CLASSIFICATION OF COLLEGES

D Pullein presented a paper from the AoC on the classification of colleges by the Office for National Standards (ONS).

The ONS and National Audit Office (NAO) have reclassified colleges as public sector bodies which affects the status of colleges and will significantly increase the level of financial control and reporting.

10. IMPLICATIONS OF THE OFFICE FOR NATIONAL STANDARDS CLASSIFICATION OF COLLEGES (continued)

In order to determine the independence of colleges, the Government have introduced an Education Bill very quickly which will allow colleges much greater freedoms. This will allow changes to the Instrument & Articles, together with increased financial freedoms on borrowing and budgeting. However, even if the Education Bill is passed it is not certain if the ONS and NAO will change the status of colleges. This will be reviewed in Summer 2012. Either way there could be significant implications for colleges.

11. BUDGET TIMETABLE FOR 2012/13

D Pullein presented the Budget Timetable for 2012/13.

The Corporation approved the Budget Timetable for 2012/13.

12. SUB-CONTRACTING ARRANGEMENTS FOR 2011/12

D Whitehead presented a paper outlining the College's sub-contracting arrangements for 2011/12 in order to optimise funding agency allocations.

The College is currently sub-contracting with three organisations: Brookhouse Training, C&G Assessment and Training and Real Time Training. Negotiations are currently on-going with OLCI, which is London based with 13 centres nationally.

Contracts are based on an 80/20 split, with the College carrying out regular quality assurance visits.

These sub-contracting arrangements will help the College optimise its funding allocations and protect future funding.

The Corporation approved the sub-contracting arrangements as reported, reinforcing the requirement for the efficient and effective on-going management arrangements by the Executive Team (and wider SMT).

13. FITCH AND MOODY'S CREDIT RATINGS FOR OCTOBER 2011

D Pullein presented Fitch and Moody's credit ratings for October 2011. Three of the institutions which the College has deposits with have been downgraded to F1; however, this still represents the "highest short term" credit rating.

The College currently has £1.5m with the Co-operative Bank which has a Fitch rating of F2. The Corporation agreed that once a counterparty became available £500k should be moved to a suitable F1 rated institution.

DP
31 Jan. 2012

14. SKILLS FUNDING AGENCY LETTER

The Skills Funding Agency letter on the assessment of the College's financial health for 2010/11 was noted. This concurred with the College's self assessment of Outstanding.

QUALITY ISSUES

15. i) LEARNER RESPONSIVE PERFORMANCE REPORT (LRPR) 2009/10

D Whitehead presented a report detailing the College's Learner Responsive Performance for 2009/10, based on the previous year's validated return, and gave a brief overview.

ii) EMPLOYER RESPONSIVE PERFORMANCE REPORT (ERPR) 2009/10

D Whitehead presented a report detailing the College's Employer Responsive Performance for 2009/10, based on Period 15 data, and gave a brief overview.

16. INTERNAL COLLEGE LEARNER / EMPLOYER RESPONSIVE RETENTION, ACHIEVEMENT, SUCCESS AND FRAMEWORK RATES FOR 2010/11

D Whitehead presented a report detailing the College level summary of performance for 2010/11 (as at 21 October 2011).

Data is based on learners with an expected end year of 2010/11 and where possible is compared to 2009/10 National Rates (2010/11 National Rates should be released in Spring 2011).

Appendix 1 showed the overall College level performance for 16-18 and 19+ age groups and broken down to Notional Levels 1-H. 16-18 Success Rate was 71% (-3% on 2009/10), Retention Rate was 79% (equal to 2009/10) and Achievement Rate was 8% (-5% on 2009/10). 19+ Success Rate was 75% (-1% on 2009/10), Retention Rate was 82% (equal to 2009/10) and Achievement Rate was 92% (-1% on 2009/10).

The main areas of concern were Level 1 for both 16-18 and 19+. Success Rates have declined by -5% and -10% respectively. Results are analysed and drilled down to course level by the FD / AFD group and Course Teams. Analysis of the reasons why students left has been carried out; however no recurring theme has been identified.

Train to Gain (now known as Workplace Learning) results remain high overall and both Timely Success Rates (TSR) and Overall Success Rates (OSR) are above National Rates.

Employer Responsive provision, both Apprenticeships and Advanced Apprenticeships, remain very strong against National Rates.

Councillor Driver acknowledged that young people across the City have been hit hard in the employment stakes. It was agreed that best practice would continue to be shared across College areas.

I Billyard stated that data from other Leeds colleges is currently being pulled together for the 11-19 (25) Partnership Group, which would give an indication of the College's position in Leeds.

D Whitehead stated that once the National Rates for 2010/11 were released the data sets would be revisited.

16. INTERNAL COLLEGE LEARNER / EMPLOYER RESPONSIVE RETENTION, ACHIEVEMENT, SUCCESS AND FRAMEWORK RATES FOR 2010/11
(continued)

The poor results in Functional Skills were noted. Issues were identified at a national level during the pilot and there is no benchmark available nationally. Next year Functional Skills will be part of the Apprenticeship framework and concerns were noted as to how this might affect the framework results. D Pulein confirmed that this had been taken into account in the budget.

C Armstrong stated that previously some students appeared to be motivated to attend College by the Education Maintenance Allowance (EMA) payments. However, it was felt that this may change due to the removal of EMA.

17. RETENTION, ACHIEVEMENT AND SUCCESS RATES BY GENDER AND ETHNICITY FOR 2010/11

D Whitehead presented a report detailing the College's Retention, Achievement and Success Rates by gender and ethnicity for 2010/11.

Male and female Success Rates are within 3% for 16-18 and 1% for 19+. Achievement for 16-18 is within 2%, however at 19+ the gap is wider at 8%.

D Whitehead stated that analysis of post code areas had previously been carried out for Inspection; however Ofsted is currently piloting an analysis tool to measure colleges in this area so performance should be easier to measure for the College.

18. QUALITY ENHANCEMENT STRATEGY

D Whitehead presented the revised Quality Enhancement Strategy; minor changes were highlighted in bold italic.

The Corporation approved the revised Quality Enhancement Strategy.

19. AoC LETTER ON FOUNDATION CODE OF GOVERNANCE

The Clerk presented a letter that had been sent to the College from the AoC on the Foundation Code of Governance; the draft Code is still awaited. A discussion took place regarding this and the possible implications for governance and how it might link with the Education Bill currently going through Parliament.

The Chair reported that she felt the College should have a Corporate Social Responsibility Policy. The College is a member of the Leeds Chamber of Commerce and is involved in various community projects / activities. The Clerk agreed to look into this.

RS
31 Jan. 2012

20. DATE OF NEXT MEETING

The next meeting is scheduled to take place on Tuesday 13 December 2011 at 3.30pm in Meeting Room 1, North Street.

Signed for Distribution:
(Chair)

Date:

Approved:
(Chair)

Date: