



MACCLESFIELD COLLEGE CORPORATION

MINUTES OF THE MEETING OF THE CORPORATION OF MACCLESFIELD COLLEGE HELD ON TUESDAY 12 JULY 2011

PART I

PRESENT :	Mr I Standen	Chairman
	Mr M Barden	
	Dr D Cole	
	Mr M Garrity	Items 18/11 to 21/11 and Pt. Item 22/11 to 34/11
	Mr J Green	
	Miss V Herbert	
	Mr G Lesser	
	Ms P Martin	
	Ms A Mollart	
	Mrs R Smith	
	Ms A Thomson	
	Ms S Warburton	
	Dr G Wilson	
	Mr M Wright	
	Ms W Wright	Principal
IN ATTENDANCE :	Mrs P Connell	Clerk to the Corporation
	Mr S Andrews	Deputy Principal
	Mrs S Gill	(Finance and Estates Manager)
		Items 25/11 and 26/11 only

18/11 APOLOGIES FOR ABSENCE

Apologies were received from Cllr H Davenport and Mr D Harrison.

19/11 DECLARATION OF MEMBERS' INTEREST

Mr M Barden recorded his interest, as previously declared.

20/11 MINUTES

The Part I minutes of the meeting held on 29 March 2011 were confirmed as a correct record.

21/11 MATTERS ARISING

It was noted that all actions had been executed or were covered elsewhere in the agenda.

ACTION

Mr M Garrity left the meeting at this point.

22/11 SEARCH COMMITTEE

The minutes of the meeting of the Search Committee held on 17 June 2011 were received and approved.

Members considered and approved the reappointment of Mr M Garrity as a Member of the Corporation for a further four year period, upon the expiry of his current term of office. They also approved Mr Garrity's continued membership of the Audit and Search Committees, together with his continued designation as the Member with additional training and responsibility for safeguarding matters.

Members wished to record their gratitude to Mr Garrity for the contribution which he had made to the work of the Governing Body during his current term of office. This had been very much appreciated.

Mr M Garrity rejoined the meeting at this point.

The Corporation noted that publication of the proposed College Code of Governance had been delayed and agreed that the matter should be revisited during the next academic year, once the College was in receipt of the Code or more information concerning it was available.

Members considered and approved the proposed amended structure and membership of the Committees of the Corporation for 2011/12, as contained within appendix Ai. Amendments had been suggested following consultation with Members after the meeting of the Corporation on 29 March 2011. The intention, in introducing the revisions, was to deploy governors' skills and talents most effectively in supporting the work of the Corporation, to spread the workload and to give Members the chance to widen their experience as governors where it was felt that this might be beneficial. In approving appendix Ai, **Members agreed that Ms A Thomson should step down as Chair of the Audit Committee and become the new Chair of the Teaching and Learning Standards Committee.** The Chairman of the Corporation would step down as Chair of the Teaching and Learning Standards Committee, but would remain a Member of that Committee. Mr J Green would become the new Chair of the Audit Committee. Dr D Cole would transfer from the Finance and Estates Committee to the Audit Committee. Ms A Thomson would become a Member of the Finance and Estates Committee. Miss V Herbert would become a Member of the College's Health and Safety Committee. It was noted that arrangements concerning the Search Committee would be considered separately in appendix Aiv (below).

The Corporation conducted its biennial review of the Governor Curriculum Area Links, in compliance with best practice. Members approved the proposals contained within appendix Aii, subject to the following amendments being made :-

- i Miss V Herbert should continue to serve as a Linked Member in Creative Studies, in addition to Dr G Wilson.
- ii Mr M Barden should become a Linked Member in the HE Unit, in addition to Dr D Cole who already served in this capacity.

The Corporation received a written report from the Clerk to the Corporation, which was contained within appendix Aiii. Members approved the proposal contained within the Clerk's report that the seat on the College's Governing Body originally reserved for Macclesfield High School should be used to provide the Chairman of Governors at Park Lane School with a seat on the Corporation. In accordance with this decision, they approved the appointment of Ms S Edwards as a Member of the Corporation, with effect from 13 July 2011, for a period concurrent with her term of office as Chair of Governors at Park Lane School, but not exceeding four years.

The Corporation received a written report from the Clerk to the Corporation, which was contained within appendix Aiv. Members approved the proposal contained within the Clerk's report, thus revising the terms of reference of the Search Committee. They appointed Mr M Wright as a Member of that Committee during his current term of office and with immediate effect.

In conclusion, Members approved the proposal contained within minute 8/11 that the College's Deputy Principal and the Headteacher of The Macclesfield Academy should be invited to attend Corporation meetings throughout the year, as non-voting participants.

23/11 CHAIRMAN'S REPORT

Members received an oral report from the Chairman of the Corporation concerning the activities which he had undertaken, in his capacity as Chairman, since the last meeting of the Corporation in March. The Chairman reported on the following events:

- i **Association of Colleges' NW Annual Conference 31 March 2011.** Colleges had received a progress report on recent developments across the sector. Particular items of interest had included an up-date on MIDAS, a system for comparing financial information between Colleges, and CREATE, the Association of Colleges' subsidiary company focusing on consultancy, training and events management.
- ii **Association of Colleges' NW Governors' Network Event 26 May 2011.** This had been attended by the Vice-Chairman, on behalf of the Chairman. Presentations had related to developments on government funding and the Wolf Review. It had been noted that there was now a Procurement Advisor at the Association of Colleges. The general feeling at the meeting had been that the Government's preference was now for Federations rather than mergers. HE/FE relations had also been discussed.
- iii **Association of Colleges' NW Full Members' Meeting, followed by Chairs' Network Meeting, Leyland, 15 June 2011.** L Davies of the Association of Colleges had reported on the content of the Wolf Review. The increasing importance of apprenticeships had been emphasized. An up-date by the Skills Funding Agency had also been provided. The proposed Code of Governance had been discussed. This was now almost in its final format. Colleges would be expected to produce Public Value Statements which would be used as part of the self assessment process to monitor their effectiveness.
- iv **EIP Governors' Forum, All Hallows School, 29 June 2011.** The

Principal had attended this meeting. The Government had decided to incorporate the inclusion monies, which had previously required collaboration between schools and had funded the EIP, within schools' mainstream budgets with no conditions set on their use. Governors of schools had been invited to report back to their colleagues and discuss future EIP funding arrangements. In the absence of financial support, it was hoped, at least, to keep the thematic groups in existence. Members expressed their regret that it would become increasingly difficult to ensure that best practice emerging from the EIP was disseminated and adopted.

24/11 PRINCIPAL'S REPORT

The Corporation received a written report from the Principal, which was contained within appendix B. The Principal's Report included the updated Schedule of Performance Indicators and the Annual Review of the Operating Statement, which were attached as annexes 1 and 2 respectively.

The Principal spoke on her report, drawing Members' attention to the most significant developments since the meeting of the Corporation in March. Planning had been difficult since uncertainty concerning national policy, following the change of Government, had only slowly been dispelled with the publication during the year of a number of White Papers, strategies and reports. Operational implications had emerged as the process had continued.

The Principal advised that, in common with many other FE colleges, the College had not achieved its target for 16-18 learners during 2010/11. The HE and Community Education contracts had already been met and it was anticipated that the Single Adult Budget contract would be achieved by the year end. There had been exceptional growth in apprenticeships (188% increase since 2008/09), which remained a Government priority. The College had enjoyed substantial success in terms of its project contracts, mainly aimed at supporting those who were unemployed or who had been made redundant.

Much effort had been expended in the development of The Macclesfield Academy, of which the College was the principal sponsor. However, this had not impacted in any negative way on the management of the College's core business. The Headteacher Designate of The Academy had taken up his post full-time at the beginning of June and proposals for the management of The Academy and its staffing structure had been finalized and put into operation. The Principal gave a detailed account of the new structure, including that of the Senior and Middle Leadership Teams. All applicants for management posts had been interviewed by the Principal and the Headteacher Designate, together with an Education Adviser from Cheshire East Council. The process for transferring staff had progressed smoothly and plans had been put in place for dealing with any outstanding vacancies.

The Principal and the Headteacher Designate had attended the 'Readiness to Open' meeting at the Department for Education the previous day. Feedback from the Department had been excellent. In particular, the Education Brief, which had required DfE approval, had been extremely well received and the College had been complimented upon the exceptional progress which had been made in such a short period of time. However, confirmation of the funding allocation from the YPLA was still awaited. The Agency had advised

that this was unlikely to be received by the College before mid-August.

Membership of The Trust and the Academy's Governing Body had now been determined (with the exception of Staff and Parent Governors who would need to be elected once The Academy opened). The first meeting of the Governing Body had been scheduled for later the same day (12 July 2011). **The Corporation formally recorded its support for the appointments to The Academy Governing Body, as detailed in the Principal's Report.** Members noted that industry and university partners would be invited to join the Strategy Committee of the Governing Body, in compliance with the legal advice received from Eversheds.

The Principal reported on a range of other activities which were being undertaken in preparation for the opening of The Academy in the autumn term. In particular, strong links were being fostered with primary school partners and a meeting of Headteachers and Governors from most of the primary schools in The Academy's learning community had taken place in early July. Work had commenced to implement the marketing strategy. This was considered to be extremely important since parents of year 5 children were already considering decisions for 2012 entry. The date for the 'Readiness to Open Visit' by Ofsted had now been confirmed as the 4th August.

Members considered the Performance Indicators which were attached to the Principal's Report as annex 1. It was noted that the position regarding the funding contracts had already been considered. The Principal advised that the number of 16-18 year olds applying for courses in 2011/12 was broadly on track. Adult applications for full-time courses were not reflected in the performance indicators but these were down. The Principal believed that this might very well be the result of higher HE fees in September 2012. Student attendance rates were on target at 90%. This matter had been discussed at length at the Teaching and Learning Standards Committee and it had been agreed that the Principal should bring forward a proposal to the current meeting of the Corporation to introduce a target which was even more challenging. **Members supported the Principal's proposal that the target should be increased to 93%, to be achieved over a three year period.**

Discussion ensued concerning retention rates. Retention of adult students was high and top quartile rates had been achieved for 16-18 year olds at Level 2. Retention of this age group at Entry Level, Level 1 and Level 3 was disappointing. Measures had been put in place to secure rapid improvement. Target success rates for apprentices were expected to be met. All of the financial P.I.s had been met or exceeded, although it was noteworthy that the operating surplus had been significantly raised by two exceptional credits. The sickness rate had slightly exceeded the target set by the Corporation. This had been caused by a number of cases of long term sickness. Short term sickness remained well controlled.

Members considered the Annual Review of the Operating Statement, which was attached to the Principal's Report as annex 2. The Principal advised that twenty-one of the thirty targets had already been achieved. Some targets had needed revision because of changes in Government policy and two relating to the SFA contract were expected to be achieved but would need to be collated. Five targets would not be achieved in the current year. The Principal gave a detailed account of the reasons for this.

Members noted the successful outcome of the IQER process, which would be reported separately under agenda item twelve. They considered any outstanding issues in relation to the Learning Zone development. Latest tests showed that the rotunda floor was now dry. Minor outstanding boundary issues had recently been resolved. It was believed that a solution had been found to allow the College to discharge all of its obligations with regard to the S106 agreement. Cheshire East planners had suggested that a junior size football pitch could be laid out in a position which would avoid the problems of close proximity to the road. A copy of the Community Use Agreement for signature was now awaited from the Council.

The Principal apprised Members of the Association of Colleges' bulletin which had recently been received in relation to the new Bribery Act. Unfortunately, the briefing had been received too late for consideration by the Audit Committee in the summer term. **The Corporation approved the Principal's suggestion that the Audit Committee should be invited to deal with the matter in the autumn term. It was agreed that** the Clerk should forward a copy of the Association of Colleges' bulletin to the new Chair of the Audit Committee.

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Discussion ensued concerning curriculum developments. Members were pleased to note the significant growth in apprenticeships and, also, commended staff for securing the STEM Assured Award from the New Engineering Foundation. The ECAT partnership with Oxford Aviation had been cemented by the acquisition of a BAE146 cockpit training simulator. Members also extended their congratulations to the first cohort of students to complete the first BSc programme in the College. This group of students was due to graduate in the Bridgewater Hall in July.

The Principal spoke on the organisational restructuring which had recently taken place and which had been reported to the Personnel and Remuneration Committee. In particular, the posts of Director of Finance and Estates and Director of Customer Services and Human Resources had been made redundant. Restructuring at senior and middle management levels had been designed to secure significant efficiency savings in staffing costs, whilst protecting the College's core business.

The Principal reported on the Government's response to the Wolf Report, which had been published on 12 May 2011. All of the recommendations within the report had been accepted. Three key themes had been identified for delivery. The Government's response also considered each of Wolf's recommendations thematically under ten broader headings. The Principal gave a detailed account of each of these and of the on-going consultation which was taking place with the sector. It was noted that the HE White Paper had recently been published. Members considered at length its implications for FE colleges and for universities. Whilst recognising that more diversity of provision was expected to present greater opportunities for colleges, Members remained committed to maintaining their excellent relationship with their HE partner, as lead Member of the Cheshire Higher Education Consortium.

In conclusion, Members thanked the Principal for her report and looked forward to receiving further progress reports in the next academic year.

25/11 BUDGET AND THREE YEAR FINANCIAL FORECAST

The Finance and Estates Manager joined the meeting at this point.

Members received and considered the 2011/12 College Budget and Three Year Financial Forecast 2011/14, which included the Sensitivity Analysis. The documents were contained within appendix C. It was noted that the Finance and Estates Committee had considered both documents in great detail at its meeting on 29 June 2011. The Finance and Estates Manager drew Members' attention to the most significant factors influencing the formulation of the Budget and the Three Year Forecast. In particular, the College would be facing a period of stringent funding cuts and was expected to suffer a loss in total income of £820k during the next financial year. Even with the extensive efforts being made to maximise efficiency savings, costs would not be able to be reduced at a corresponding rate. The Corporation's strategy required significant growth, but the lagged funding model was likely to put increased pressure on the Budget for 2011/12, although further growth was expected to reap dividends in future years. A modest surplus of £15k was, therefore, predicted for 2011/12. A key financial objective was to achieve a rolling three year average annual surplus of £117k, which would be sufficient to service the medium term loan. Provision of a £150k reduction in the adult allocation had been built into the 2011/12 budget. This had been done on a prudent basis, but it was hoped that, during 2011/12, this provision might prove to be over-stated. Members considered the challenges which the College was likely to face over the three year period together with the forecasting assumptions which had been made. They noted that the strong financial performance in 2010/11 had been caused in part by the under-achievement of the 16-18 contract, creating a 'windfall' scenario and, also, by two exceptional credits. These circumstances would not be repeated in 2011/12. Members noted that no provision had been made in the Budget for any annual pay award in 2011/12. However, it was hoped to make provision for the payment of performance bonuses, subject to affordability. Members wished to record that this remained their first priority should any increase in pay expenditure prove possible, as the year progressed.

In conclusion, Members approved the 2011/12 College Budget and Three Year Financial Forecast 2011/14, as contained within appendix C, and thanked the Finance and Estates Manager for her report. They noted that, by the next meeting of the Finance and Estates Committee in the autumn term, it would be more possible to confirm the validity of the assumptions made in the Budget or highlight any areas or risk, since the first return of the academic year in relation to 16-18 provision would have been made to the Funding Council by that date.

26/11 FINANCE AND ESTATES COMMITTEE

The minutes of the meeting of the Finance and Estates Committee held on 29 June 2011 were received and approved. Members considered the formal recommendations contained within those minutes. **They received the College accounts for the period ended 31 May 2011, which were contained within appendix Di. They approved the Financial Objectives for 2011/12, as contained in appendix Dii.**

Members considered the capital expenditure proposals for 2011/12, noting that the only capital bids received for this period related to IT equipment. **The Corporation approved the proposals, as contained within appendix Diii, for a total of £141,000 of capital expenditure.** The Finance and Estates Manager left the meeting at this point.

27/11 THE COLLEGE'S THREE YEAR STRATEGIC PLAN 2011/14

The Corporation received and considered the College's Three Year Strategic Plan 2011/14, which was contained within appendix E.

The Principal advised that there was no longer a requirement from any external body for the College to produce a three year strategic plan. However, such planning remained of critical importance within the College since the Operating Statement was derived every year from the agreed strategic objectives.

A lengthy discussion ensued concerning the development of the College over the next three years as a learning hub for Macclesfield and East Cheshire. Members considered growth opportunities in relation to HE provision and, also, discussed the Corporation's growth strategy for 16-18 provision, together with associated risk factors such as declining demographics. It was recognized that, inevitably, during 2011/12, there needed to be a strong focus on ensuring the successful launch and first year of operation of The Macclesfield Academy.

In conclusion, Members approved the Strategic Plan for 2011/14, as contained in appendix E and looked forward to receiving the Operating Statement at their next meeting in December.

28/11 AUDIT COMMITTEE

The minutes of the meeting of the Audit Committee held on 13 June 2011 were received and approved. The Chair of the Audit Committee spoke on the recommendations contained within those minutes. **Members received the Audit Needs Assessment and approved the Three Year Strategic Audit Programme for 2011/14, together with the Internal Plan for 2011/12.** The documents were contained within appendix Fi. It was noted that the thirty-one days in the Plan for 2011/12 had all been allocated and no contingency provision had been made. It was hoped that by defining the requirements very clearly in this way, it would be easier to plan the business cycle of the Committee's work and ensure that reports were produced more evenly across the year.

The Corporation approved the fee proposals from RSM Tenon for the audits of the Financial Statements, the Regularity Audit and the Teachers' Pension Return for the forthcoming year. The proposals were contained within appendix Fii. Members welcomed Tenon's offer to raise their fees by only 3% rather than the 5.1% which would have been allowed under their contract.

In conclusion, the Chairman thanked Ms A Thomson for her extensive work as Chair of the Audit Committee over a number of years.

29/11 TEACHING AND LEARNING STANDARDS COMMITTEE

The minutes of the meeting of the Teaching and Learning Standards Committee held on 10 June 2011 were received and approved. Members considered the formal recommendations contained within those minutes. **They received the Safeguarding Annual Report 2010/11, which was contained within appendix Gi.** It was noted that the Principal would assume lead responsibility in this area, since the post of Director of Customer Services and Human Resources had been made redundant. The Principal and Deputy Principal were both to undertake further safeguarding training. The Cheshire East Local Safeguarding Children Board had indicated that it would be able to provide a Certificate of Verification for the College's internal staff training programme for safeguarding. Members noted the increasing number of referrals being made to the College Counsellor. Proposals were being considered to amend the Counsellor's contracted hours accordingly and, also, to take account of changes in the Additional Learning Support Fund methodology.

The Corporation received a written report from the HE Unit Manager concerning the IQER Summative Review, which was contained within appendix Gii. Members commended staff on the excellent outcome for the College, in which confidence judgements had been received for both Academic Standards and Quality of Learning Opportunities. Confirmation has also been received that reliance could be placed on the accuracy and/or completeness of Public Information, which the College was responsible for publishing about itself and the HE programmes it delivered.

Members received and approved written proposals from the Clerk to the Corporation to amend the terms of reference of the Teaching and Learning Standards Committee, as contained within appendix Giii.

30/11 PERSONNEL AND REMUNERATION COMMITTEE

The Part I minutes of the meeting of the Personnel and Remuneration Committee held on 22 June 2011, together with the minutes of the Health and Safety Committee meeting held on 18 May 2011, were received and approved. Members noted the formal recommendations contained within those minutes. **They approved the proposal concerning the future reporting arrangements for the Health and Safety Committee and received the Annual Report on Equality and Diversity from the Principal.** The latter was contained within appendix Hi. **Members thanked the Principal for the work she had undertaken as Chair of the Equality and Diversity Committee during the year and commended the excellent progress which had been made in this area.**

31/11 LZ6 GOVERNANCE COMMITTEE

The minutes of the meeting of the LZ6 Governance Committee held on 6 June 2011 were received and approved. Members noted that this had been the final meeting of the Committee, which would be dissolved at the end of the current academic year, in compliance with the decision made by the Corporation on 29 March 2011 (Corporation minute 9/11 referred).

32/11 SELF-ASSESSMENT EXERCISE

Members received a written report from the Clerk to the Corporation, which was contained within appendix J. They noted the review of performance against the indicators set for the current year, which was recorded in appendix Ji. Performance had been very strong, with all targets being achieved, when action was within the control of the Corporation (one vacancy in the membership of the Governing Body had been held open until the consultation process on Macclesfield High School had been completed). They agreed that the same indicators should be adopted for 2011/12, with the exception that indicator 9.1 should be amended to read as follows :-
'To further the vision for the MLZ to transform education and training by overseeing, as sponsor, a successful first year of The Macclesfield Academy in which all of the improvements set out in The Academy Development Plan for summer 2012 are met.'

In conclusion, Members approved the format of the Self Assessment schedules to be completed over the summer period, as in appendix Jii.

33/11 PROPOSED COLLEGE CALENDAR – ACADEMIC YEAR 2012/13

The Corporation approved the above calendar, which was contained within appendix K.

34/11 CALENDAR OF MEETINGS

Members approved their calendar of meetings for the forthcoming year, which was contained within appendix L.

Pamela J Connell
Clerk to the Corporation
July 2011