

**THE CORPORATION  
EALING, HAMMERSMITH AND WEST LONDON COLLEGE  
Minutes of the Meeting of the Corporation held on Thursday 8 October 2015 at the Hammersmith  
Campus**

Meeting began 6.00pm

Chair: Tony Alderman

**Item 1**

**1. ATTENDANCE AND APOLOGIES FOR ABSENCE**

**1.1 Present**

Tony Alderman	√	Michael Heanve	x
Adrian Asuquo	√	Lisa Huggin Chan	√
Heather Clay	√	Garry Phillips (Principal and Chief Executive)	√
Julia Clements Elliot	√	Nick Ratcliffe	√
Jim Conybeare Cross	x	Sundeep Sangha	√
Richard De St Croix	√	Lucy Taylor	√
Joanne Fintzen	√		

The meeting was quorate throughout.

1.2 **Apologies for Absence** were RECEIVED from Jim Conybeare-Cross and Michael Heanve (Members) and John Humphreys (Human Resource Director).

1.3 **In attendance:** Janet Gardner – Executive Director, Principal, Hammersmith and Fulham College  
Phil Hockey – Executive Director, Student Experience and Performance  
Chris McCutcheon – Finance Director  
Urmila Rasan – Executive Director, Finance and Shared Resources  
Keith Scribbins – Clerk to the Corporation  
Ala Uddin – Executive Director, Principal, Ealing College

1.4 **Declarations of Interests:** There were no new declarations of interests.

**1.5 Chair's Announcements**

1.5.1 Lucy Taylor was welcomed to her first Corporation meeting.

1.5.2 The Chair explained that this was a special meeting convened solely to deal with a number of critical items being:

- The Financial Recovery Plan
- The Three Year Financial Forecast
- Area Based Reviews

- Student Outcomes
- Enrolment and Student Numbers
- Accommodation update.

## **Item 2**

### **COR 15.12**

#### **FINANCIAL RECOVERY PLAN**

2.1 This was introduced by Urmila Rasan. Members were provided with an update and reminded that the plan, action taken on it and the Corporation's pursuance of it were regularly monitored by the EFA and SFA. The Corporation was asked to approve the report. Ms Rasan said the plan and work based on it was intended to ensure that the College moves out of the FRP process and avoids intervention from the EFA/SFA and the FE Commissioner.

The background was an inadequate financial health rating and a current intervention process aiming to ensure satisfactory health that is sustainable for two years. In 2013/14 the financial health was graded satisfactory and the College is working towards a satisfactory health rating for 2014/15.

2.2 Members recognised that the sector was facing a challenging time. They also recognised that a number of items – graded red in the FRP spreadsheet were being worked on with diligence. Nevertheless, they saw the risks as considerable and pressed for action to mitigate them. This was a key challenge for the Corporation and its senior staff. It was NOTED that a further update would go to the F and GP Committee later in the month.

2.3 The Principal and Chief Executive briefed members on a number of significant developments relevant to financial recovery: the fortunes of the Business Development Unit (being investigated by the Clerk following the resignation of its MD), the issues around MIS (its Head has also gone) and problems concerning visas and related matters. Members asked about the degree of confidence concerning procedures and operations under them. It was pointed out that Baker Tilly was doing forensic work which, it was felt, would reveal any remaining issues.

2.4 The Principal and Chief Executive also reported on the crucial sale of the Havelock Road premises and its completion as soon as possible. This was important in respect of the assurance which Baker Tilly will give regarding solvency. In response to further questions it was pointed out that £2.95m had been established by valuation to be a reasonable price for the Havelock Road premises. It was confirmed that student debts were being chased. Finally, it was indicated that new senior staffing arrangements were being made and would be reported to the Corporation in due course.

2.5 The conclusion of this item was as follows. It was RESOLVED

that: The FRP and the reports based on it be approved and the action being taken be endorsed.

that: The work being undertaken to ensure that the College moves out of the FRP process be approved.

## **Item 3**

### **COR 15.13**

#### **THREE YEAR FINANCIAL FORECAST**

3.1 Urmila Rasan introduced the forecast, the first year of which composed the proposed budget for 2015/16. Ms Rasan demonstrated the updating involved in the new forecast and budget. The additional funding reductions for 2015/16 of £1.2m and the delay in the sale of the Havelock Road site of (circa £3m) together with reduction in International income of circa £1.4m had all been reflected in the revised forecast. The paper set out the surplus/deficit on continuing operations after depreciation of assets at valuation, exceptional items and disposal of assets before tax. As at October 2015 financial health predictions were 'satisfactory' for 2014/15, 'satisfactory' for 2015/16 and 'good' for 2016/17.

3.2 Members concentrated on the impact of the sale of the Havelock Road site and the Acton Campus, on the forecast. These and other items constituted risk areas. The main 'other' risk areas were 16-18 year old recruitment and anticipated growth in Apprenticeships etc. It was confirmed that there were offers for the Acton Campus but they were held to be insufficient. A number of agents had estimated £27m for Acton and a further report on progress towards this figure would be made to the F and GP committee. Members also recognised the significance of workforce reforms, redundancies and improved productivity. Questions were raised about progress in these matters. This discussion also identified a tension between achieving adequate financial health (and the measures necessary for it) and achieving and sustaining the quality of provision and student success. This matter was referred to under a number of items on the agenda.

3.3 Following the 'challenge and support' in the questions put forward by members, the proposed resolutions were considered and it was RESOLVED

that: The updated budget 2015/16 and forecast be approved.

that: The financial objectives be approved.

that: The financial health categories be supported.

that: The ratios be supported and adopted as key performance indicators.

3.4 Finally, members reviewed the commentary (covering budget changes since December 2015, the Revenue Budget, Capital, Asset disposal and assumptions) and ENDORSED the commentary and assumptions.

#### **Item 4**

#### **AREA BASED REVIEWS**

4.1 The Principal and Chief Executive introduced four papers on this topic: Area Based Reviews (London Councils), GLA : Area Based Reviews – Developing a Proposed Approach, the proforma for College Site Visit Reports and Area Review – the College Questionnaire. These documents will be attached to file copy of these minutes.

4.2 In his presentation the Principal and Chief Executive concentrated on

- West London Skills Needs
- Skills enquiries, Financial and Quality Recovery Plans
- London's Next Steps
- Factors to be taken into account in Area Based Reviews
- Governing Body Deliberations

4.3 A large number of issues emerged in discussion, including:

- 4.3.1 The prospect of Post-16 Commissioner for London
- 4.3.2 The prospect of an adult incentive fund.
- 4.3.3 Work on the FRP and Ofsted outcomes – especially on management and leadership.
- 4.3.4 The significance of local circumstances and national government policy.
- 4.3.5 The importance of good quality provision within reasonable travel distance.
- 4.3.6 The matters for Governors to consider.

4.4 The key aspects (identified in discussion) for governors to consider were:

- 4.4.1 Governing Bodies to decide whether to accept recommendations giving weight to long term stability of the College.
- 4.4.2 Their duties as Charity Trustees.
- 4.4.3 The expectation that only institutions which provide a good quality offer and a financial sustainability for the long term will receive funding.

4.5 Members were appraised by the Principal and Chief Executive, the Chair and the Clerk of visits they had made to Colleges exploring the prospects for collaboration, federation and mergers. At this stage no plans were forthcoming but governors felt assured that the College could demonstrate that it had taken the lead in this matter.

4.6 Another point raised in discussion was the overall philosophy behind area based reviews. It was felt that the primary purpose was financial rationalisation and the sponsorship of good quality provision in a reorganised sector. All 'solutions' had to be considered including the merger (and closure) of some institutions.

4.7 Following the debate, the members NOTED the proposals for area based reviews and SUPPORTED the action being taken by the College leadership team to position the College to meet the challenges involved.

## **Item 5**

### **ACCOMMODATION UPDATE**

5.1 The Principal and Chief Executive reminded members of the current accommodation strategy and the KPMG recommendations which underpinned it. He presented a timetable for the sale of the Acton site. Significant steps were:

- Marketing preparation (October)
- Bid date (December)
- Exchange and Completion (February onwards)

5.2 In the discussion it was indicated that the College's agent based the valuation on local sales, joint ventures and the impact of developments like HS2. Members felt that the key test was an accommodation approach which shored up reserves and created facilities and provision of high quality for students.

5.3 The accommodation report was NOTED and the timetable for the sale of the Acton site was ENDORSED.

## **Item 6**

### **STUDENT OUTCOMES AND ENROLMENTS**

6.1 Phil Hockey introduced his report which had appendices covering classroom provision, performance by volume and English and maths. Mr Hockey drew attention to the need to chase

down current achievements to maximise success and the need to deliver performance improvement in raising success rates (against the background of workplace reforms).

6.2 The paper outlined the context and background. The action taken in 2014/15 to recover from early year difficulties was set out in detail. Following this action it is thought that:

- There is clearer understanding of the strengths and areas of development in terms of teaching, learning and assessment.
- Performance management of staff is more effective.
- The new data dashboard system means improved reporting.
- Medium and long term planning has been improved for 2015/16.

6.3 The key data in the paper covered attendance (84.2% a 2.9% increase on last year), success (74.0% but likely to become 80.6% against national average of 83.6%) underperforming areas, apprenticeships and HE statistics. In HE there was a success rate improvement (of 12.6%) to 67.2%

6.4 In discussion members questioned the steps being taken especially in relation to English and maths which had declined by 5.4%

6.5 Following the presentation and discussion, the paper on student outcomes was NOTED and the steps intended to deliver improvements were ENDORSED.

6.6 Members moved on to consider a brief report from Urmila Rasan on enrolment and student numbers. This covered the reduction in 16-18 numbers (750 below target) and performance against the SFA allocation.

The effectiveness of the support from Golly Slater was the subject of comment. Members felt that it was best to avoid the acceptance of too many 'late start' students as this had an adverse effect on performance. It was also considered that the area based reviews would have a major effect by rationalising 16-18 provision. A further, more detailed report, would be given on enrolments at the December Corporation meeting. This report was NOTED.

6.7 The Corporation was due to move into confidential session but before they did so the senior staff were asked if they had further comments on any agenda items. A number of them confirmed that the Principal and Chief Executive and other presenters had given thorough accounts of the challenges facing the sector and the College. It was also felt that the Corporation had had an open and extensive discussion.

#### **Item 7**

#### **CONFIDENTIAL SESSION**

#### **Item 8**

#### **ANY OTHER BUSINESS**

There was none.

#### **Item 9**

#### **DATE OF NEXT MEETING**

Thursday 17 December 2015 at 17:45.