

ASSOCIATION OF COLLEGES

MINUTES of the AoC BOARD MEETING

Held on 11 March 2009 at AoC Offices 2 Stedham Place, London WC1A

Present	Attendance (from 17/12/08)
John Bingham (Chair)	2/2
Tony Alderman	2/2
Richard Atkins	2/2
David Collins	2/2
Sally Dicketts	2/2
Martin Doel	2/2
Pat Bacon	2/2
Peter Brophy	2/2
Ray Faulkner	2/2
Neil Hopkins	2/2
Tim Jackson	2/2
Asha Khemka	1/2
Sue Lakeman	2/2
Mike Lee	2/2
Nick Lewis	2/2
Chris Morecroft	2/2
Robin Parkinson	2/2
Helen Pegg	2/2
John Smith	2/2
George Trow	1/2
John Widdowson	2/2
John Wilkinson	2/2
Andy Wilson	2/2
Apologies	
Ioan Morgan	1/2

In attendance:

Debra Stych (Company Secretary)

1. DECLARATIONS OF INTEREST

There were no declarations of interest.

2. MINUTES

Tim Jackson was present and should be added to the attendance list

RESOLVED: That, subject to the above, the Minutes of Board meeting held on 17 December 2008 be approved

3. MATTERS ARISING

3.1 Progress Report

The Board received a summary updating them on matters arising from previous meetings

3.2 Regional Review

Peter Brophy reported on progress with consultations with the AoC regions in relation to the Regional Review. A report would be presented to the Board setting out recommendations later in the year, but one consistent message which was emerging was the need for a standard regional constitution.

3.3 Consultation on Pay Negotiations

The AoC Employment team was currently attending regions as part of its consultation on the future of national pay negotiations. Those Board members who had attended such events said they had been very well received.

3.4 Capital Funding

Martin Doel reported on the current position with regard to capital funding. 144 colleges were currently impacted by the moratorium imposed by LSC on the capital projects and there were also colleges which had spent significant sums on feasibility projects and were expecting capital finding. Sir Andrew Foster's review was on going, together with the internal LSC review. The priority for AoC is to get more money into the programme and Martin has written to John Denham on this point, identifying areas where existing monies could be diverted from other areas which might help alleviate the immediate situation. In addition, a series of meetings are arranged, including meetings with John Denham, Sue Baldwin and Jim Knight.

Once money has been injected into the programme the LSC will be undertaking a prioritisation exercise. The Board re-emphasised the fact that AoC would not be involved in deciding any priorities between colleges. It would however be willing to offer advice in terms of the criteria which should be set in order that fair and equitable decisions could be made.

In parallel, AoC would press for indemnification and lobby strongly for financial support for those colleges which do not receive the funding which they had been anticipating and to which they had been led to believe by LSC they were entitled. Legal advice is being taken in this area, together with discussions with auditors and banks regarding possible alternate forms of support for these colleges.

The Board discussed experiences within their own colleges and regions. Board members welcomed the fact that (rightly) no blame for this situation had been laid at colleges. Great care was still needed to ensure that this remained the case

4. STRATEGIC/POLICY ISSUES:

4.1 Policy Update

The Board received a summary report setting out recent policy issues. It was agreed that Portfolios should feature more prominently on future Board agendas, with more detailed updates. The Chair agreed that the Board should receive reports on Portfolio activity and from Portfolio Group meetings whilst reminding members that the initial meetings of some of these groups had only just taken place. Future report backs would be more comprehensive.

4.2 Manifesto for Colleges

David Collins presented the Draft Manifesto for Colleges. A number of comments were made, for example that the document should be more 'student' as opposed to 'college' focused, and there should be clarity regarding the target audience.

There was a discussion about process. It was proposed that the correct procedure should be that Portfolio Groups were asked to draw up key policy statements. These four or five points could then be discussed at a session at the Board Away Day in June. There would then be wider consultation with the AoC membership. It was agreed this area would form a substantive item for the away day.

4.3 TVET UK

Martin Doel presented a report proposal that AoC become a subscriber within TVET UK. He explained that TVET provided a means by which colleges could access international opportunities. Nick Lewis said that the International Portfolio had met the previous day when it had endorsed this proposal.

Advice had been taken from AoC lawyers who confirmed that the Association's financial exposure was minimal.

RESOLVED: That the Board approved the proposal that AoC become a subscriber to TVET, subject to further legal advice and delegated the final decision to the Chair, Deputy Chair and CEO.

4.4 LSC Procurement Cell

The Board was informed that AoC was in negotiations to acquire the LSC Procurement Cell. Should it be successful, funding would be guaranteed until 2011, providing AoC with the opportunity to develop a service which could provide real benefits to colleges.

Neil Hopkins referred to previous attempts to set up shared services for colleges which had ended in failure. He pointed out that many regional consortia provided this service already and the Board agreed that caution should be exercised in the light of AoC's previous failed initiatives in relation to procurement.

In terms of staff currently working in the Procurement Cell, TUPE would apply and they would be transferred across to AoC. It was pointed out that, reputationally, this team was not well regarded within the sector and Martin Doel acknowledged that there might be development issues which needed to be addressed. There was also the question of AoC's liability for any redundancy costs post 2011. AoC was seeking an indemnity against this.

The Board recognised the potential benefits for both AoC and the sector should this service prove successful, but emphasised the need for appropriate due diligence before any decision was made.

RESOLVED: That the Board endorsed continued negotiations and directed AoC should commit to this initiative only after due diligence and upon receipt of appropriate indemnities. This was delegated for final confirmation to the Chair, Deputy Chair and CEO after receiving further clarification, guarantees and indemnities as appropriate.

4.5 SFCF

John Bingham reported on SFCF's recent proposals in relation to the developments of its services, including the proposal to employ a full time Chief Executive. The Forum had held a meeting the previous day and a subsequent press release had indicated that the proposal to appoint a Chief Executive had been approved.

The Board was informed that AoC continue to seek harmonious and mutually supportive relations with SFCF, but that the response to these overtures was inconsistent. The issue of concern for AoC was that, should the SFCF contributions be subject to a significant increase to fund the full time President post, Sixth Form Colleges may be forced to withdraw from AoC. This presented both a financial and reputation risk for the Association.

Martin Doel said that he had been having a number of direct conversations with Sixth Form Colleges to help guide any recommendation which he would produce for the AoC Board regarding its future relationship with Sixth Form Colleges. This could include the introduction of a group rate for SFCF. Caution was urged when considering the possible option of group rates so as not to create a precedent.

Further discussions on this issue will continue and will involve the SFC members on the AoC Board as well as trying to continue with engaging with the SFCF personnel and leadership.

5. BUSINESS ISSUES

5.1 Group Management Accounts and Budget for 2009-10

Peter Brophy presented the group management accounts to 31 January 2009. He drew Board members' attention to the projected year end surplus of £100,000 against budget of £15,000. This included the Management Service dividend of £250,000. He informed the Board that this subsidiary organisation was set to make a further surplus of £50,000, which the Management Services Board was considering paying to AoC as an extra dividend. The AoC regions were coming in line with budget. Martin commended Peter and his team on their excellent management of the finances, which was endorsed by the Board.

5.2 Budgets

The Board considered the budgets for the next financial year. Peter Brophy set out the headline areas, including the proposal to increase member subscriptions by 2%. Modelling Work was underway to determine the appropriate way to review how subscription levels were set for the various category of colleges and enable a possible recalculation of subscription levels for future years.

RESOLVED: That the Board approved the budget for 2009-10

5.3 F&GP

The Board received the draft minutes of the F&GP Committee meeting on 17 February 2009

5.4 AoC Property Investment

Martin Doel introduced a paper proposing the purchase of an AoC flat as part of a long term investment strategy. This could, as an optional use, provide accommodation for the AoC President and/or Chair, with significant savings in terms of hotel accommodation accruing. Nick Lewis suggested that the availability of a London flat should make the AoC President post more attractive to potential candidates.

David Collins identified two separate issues: investment and accommodation. He supported the idea of diversifying the AoC investment portfolio but suggested that a better return might be achieved from renting out the property. Peter Brophy said that the annual cost of Chair and President hotel accommodation was around £15,000. The Board noted that renting out a property could possibly generate more than this. There were also potential practicalities of the Chair and President sharing accommodation.

The Board agreed that it should be clear that whether the purchase of a flat was primarily an investment or an accommodation decision and that it should be sold to

the membership accordingly. There was a suggestion that commercial property should be considered given its substantial fall in price within the last year. The Board was informed that enquiries in this area had found that a commercial purchase would be too expensive. There was a suggestion that there should be a review of all AoC investments and consideration given to other ways to diversify the portfolio, including ethical investments. The use of an investment adviser should also be considered.

RESOLVED: That the Board agreed to diversify the AoC investment portfolio and that the matter of purchasing a residential property be delegated to F&GP to consider after receiving and considering the appropriate professional advice

5.5 Terms of Reference

RESOLVED: That the Board agreed (amended) terms of reference for:

- AoC Board
- F&GP
- Governors' Council

5.6 Governors' Council

Memorandum of Understanding

There was a discussion about the process for dealing with differences of opinion between the two bodies. Should conflict arise, there would be attempts to reach resolution as set out in the MOU; however, should it prove intractable, on those very rare occasions the Board decision would be AoC policy. This MOU was actually in the spirit of the strategic review of AoC , as endorsed and approved by the membership at the AGM in 2007..

RESOLVED: (1) That, subject to the above, the Board endorse the Memorandum of Understanding between AoC and Governors' Council

(2) That the Board endorsed the Governors' Council Work Plan and Progress Report

5.6 Away Day

John Bingham reminded the Board that this year's Away Day would be held on 10-11 June 2009. The Away Day would include a discussion on the Manifesto and possible means of Appraisal of AoC Chair. It was agreed that a London location would be most convenient for members and that a date for next year's Away Day would be identified at the event.

5.7 Appraisal of Chairman

John Bingham proposed that there should be a process in place for an appraisal of the AoC Chairman and sought approval in principle from the Board. Tim Jackson referred to process in his college for the appraisal of Chair, Principal and Clerk and said that he would provide details.

It was pointed out that the Chair was elected annually and it was suggested that this represented a form of appraisal. It was pointed out that there was a danger of developing unnecessary bureaucracy. It was suggested that the matter be discussed at a future meeting. Although the appraisal of Chairs was considered good practice in many commercial and public bodies it was pointed out that such an issue ought not to be either bureaucratic or long winded.

5.8 Report from Remuneration Committee CONFIDENTIAL ITEM

There was an oral report back from the Remuneration Committee meeting on 10 March 2009.

6. ANY OTHER BUSINESS

There was no other business

7. DATE OF NEXT MEETING

AoC Away Day on Wednesday 10 and Thursday 11 June 2009. Venue to be confirmed.

Debra Stych
Company Secretary