

## CORPORATE GOVERNING BODY OF GODALMING COLLEGE

### Confidential (to 7/7/09) Minutes of the Corporation of Godalming College meeting held at the College on Monday 1<sup>st</sup> June 2009 at 7pm

<b>Present:</b>	Hugh Pile (Chairman) Peter Bolton Stephen Cooper Robin Galliver Margaret Jack David King Valerie Martin-Long David Wheatley	David Adelman(Principal) Angela Gallagher-Brett Stephen Dennison Desmond Houghton-Connell Brenda Jenner Philip Knights Sharon Ward
<b>Apologies:</b>	Michael Laver Sonja Polimac	Jo Thorne
<b>In Attendance:</b>	Stella Halloran (Clerk to the Corporation)	

It was proposed and unanimously agreed that the content and minutes of this meeting should be kept confidential to the Corporation members in line with Standing Orders 1.4 (b).

#### ACTION

1. **Apologies**

Apologies were received from Michael Laver, Sonja Polimac and Jo Thorne and were accepted.

2. **Declaration of Interests**

No governor declared an interest in the item on the agenda.

3. **Minutes**

The minutes of the meeting held on 23<sup>rd</sup> April 2009 were approved and signed.

4. **BTS**

The Chairman outlined the reasons for calling this meeting, namely that during the BTS closure and redundancy consultation period just ended there had been a change in position by the LSC, and Dan Power and Alison Gisvold, senior members of management at BTS, had requested that their formal response document be discussed by the Corporation.

The Chairman also reiterated that the responsibility of the Corporation as a whole was for the educational character and strategy of the College and the financial oversight of it. Employment issues (other than for Senior Postholders) were the responsibility of the Principal.

David Adelman informed governors that the consultation period instigated by the College following the Corporation meeting on 23<sup>rd</sup> April had now run for 5 weeks. A document from Dan Power and Alison Gisvold at BTS responding

to the consultation had been received on 21<sup>st</sup> May and the Principal had responded to this on 22<sup>nd</sup> May 2009. Governors were in receipt of both these documents, together with a spreadsheet outlining the current financial situation.

During the consultation period, meetings had been held collectively and individually with BTS staff, who form a very strong team. They were initially surprised and angry at the prospect of closure as they are very loyal to BTS.

A change in position of the LSC under the "Train to Gain" category of funding is that they will fund all the actual learners, rather than only those enrolled on courses prior to 20<sup>th</sup> March. This action alone would reduce the BTS deficit to £155,000. In addition, on Adult Learner Responsive funding, the LSC had reversed its original decision to clawback money where funding had been paid in excess of the number of actual learners and would now only clawback 10% of this amount. With this second change in position, BTS will, on paper, have generated a cash surplus of £50,000 at the end of the year. The Principal said that nevertheless the gain resulting from these two changes can only be regarded as a windfall, the underlying loss remains at about £300,000 and next year there is, on current learner number projections, no prospect of making anything other than a loss under current LSC funding proposals.

The Principal informed governors that, having taken into consideration all the responses received during the consultation period and having had discussions with the Senior Management Team, he was proposing that, reluctantly, he as employer would issue redundancy notices to all staff and close BTS at 31<sup>st</sup> July 2009.

Valerie Martin-Long, Chairman of the Finance and Estates Committee informed those present that a meeting of that committee had been held prior to this meeting and the members, also reluctantly, agreed that the decision of the Principal should be supported, on the following grounds:

- Although the LSC's reversal of its decision on clawback has made the closure decision more difficult, the trend of annual underlying deficits or losses at BTS has not changed.
- Concern about the income projections for BTS for 2009/10 which do not match projected costs.
- Although £1.4million pounds would be available from the LSC for next year, BTS would only receive money commensurate with the number of learners and courses it could attract and on past record would get nowhere near the amount available.
- The BTS paper had presented no arguments for curbing costs.
- The position of BTS has been discussed over many years and each year an argument has been put forward that there will be increased income the following year, but to date this has not materialised.
- Although there had been mention of colleges expressing an interest through the LSC in offering a 'transfer of undertaking' there was nothing definite, or in any way substantial in these expressions of interest.
- Learners will be able to continue their education at another college.

All governors contributed to a robust discussion which covered the following views:

- The LSC, although complimenting the College on the quality of its adult education provision, will not guarantee to fund any shortfall in future years; they will however guarantee the transfer of learners to other colleges.
- In the current economic climate and with the expectation that public spending will be squeezed following the next general election, it will not be desirable to subsidise adult learning at the expense of the College's core mission of 16-19 provision. The cash position of the College will be weakened if the trend for BTS to make underlying deficits continues.
- If the original decision of the Principal to go to consultation was made because of the LSC's decision at that point to clawback funding, the situation has changed and the reason for considering the closure of BTS is no longer there on those grounds. The Principal explained that the LSC's original decision to introduce a clawback was an additional constraint on BTS, but at the time of the Corporation meeting on 23<sup>rd</sup> April the underlying deficits and losses of BTS over the past 3 years and expected continuation of this trend was of paramount consideration.
- Looking at the letters received, concerned about possible closure, those from larger organisations were not organisations in the local area. Wholesale transfer to another provider would therefore seem to be the best option if that proved possible.
- The response from BTS did not constitute a business plan to avoid future losses.
- BTS catered for those undertaking vocational courses whilst in work as well as courses for disadvantaged learners. It would be a matter of great regret if education for both sets of learners could no longer be provided in Godalming.
- At this time of economic hardship, to make people redundant will exacerbate deprivation and depression in the local area which will not reflect well on the College and may not be the right thing to do. How can we put a price on the good name of the College in the community?
- If BTS was given time (say 14 – 21 days) to produce a business plan that would make a case for continuation, on the basis that it would break even, would that be acceptable? It was acknowledged that this would take a large amount of SMT time.
- Could BTS be given an extra 12 months to trade, working towards a transfer or closure at the end of that time? If BTS was given a further 12 months to trade, still with the possibility of closure at the end of that period, it would run the risk of becoming a lame duck and its trading position would get worse rather than better.
- A business plan to increase funding and reduce costs would necessarily involve some redundancies.
- It is the fickle nature of the LSC that has put the College in its current dilemma – had they not firstly notified clawback and then changed their mind, the discussion would have been different from the outset.
- The reputation of the College, although it will take an initial knock, will soon recover as most people think of it as a sixth form college and do

- not realise that it has adult education provision.
- The economic situation dictates that funding on any level will not get easier in the foreseeable future.

At the conclusion of the discussion, the following resolution was proposed by Sharon Ward and seconded by Margaret Jack:

***The Corporation agrees that, given the financial risks attached to the continuation of BTS, the underlying losses made by that section of the College over the past several years, the likely loss in 09/10 and ongoing uncertainty of funding for the foreseeable future, the decision of the Principal to close BTS is supported. It is agreed that the mission of the College to provide adult education will cease and it will therefore revert to 16 – 19 education only.***

The resolution was passed with 12 members voting in favour, 2 against and 1 abstention.

Governors agreed that this decision had been made with great regret and an understanding of the effect it would have on the learners and staff of BTS.

The Chairman asked Governors to delegate to him and the Clerk the authority to set up an Appeals Panel to hear any appeals against redundancy under the College's Employment Procedures. This was agreed.

The Principal and Chairman will consider the information that should be given to the press.

Members of the Corporation encouraged the Principal and the SMT actively to seek any 'transfer of undertaking' that was possible, for the benefit of learners and staff..

The meeting closed at 9.00pm

Signed: .....

Date: .....

*NB: These minutes were declared to be no longer 'Confidential' at the Corporation's meeting of 7<sup>th</sup> July 2009.*