

The Board received the report, noted the activity outlined and approved recommendations from Committees (whilst noting that some items were being covered in more detail as part of the meeting agenda)

Approved

10. Estate Strategy Update & Disposal of Kirkby Campus

The Chair introduced the item in light of recent changes in circumstances regarding the 31st March 2016 deadline for SFA expenditure. The Principal tabled a paper (item 10i) and briefed the Board on the key points involved with the new 31st March deadline for expenditure of the full SFA grant, the offer of increased indemnity from KMBC (based on the interests of Knowsley) and walked the Board through the issues involved with the options outlined in table 1. The Principal verbally reported on a further option from the SFA received that afternoon that involved receipts from Roby once the College had moved.

The Board questioned the advanced payment bonds and expectation of the SFA regarding residual monies held in bond on 1st April 2016 and the nature of completion for the physical asset. The Board questioned the progress with the deed of variation (which requires approval by the funder within 9 weeks) and unitary charge.

The Board had a full and frank discussion and debate on the options, implications, relationship with the local authority and the possible veto position of the funder.

The Board reflected on the four options and concluded that only one was viable. However, it was not clear as to how the project will be progressed with KMBC, SFA, Transform and the funder. It was agreed that management would keep the full Board briefed on an on-going basis in the aftermath of the Board meeting.

Principal

The Board recognised that the Capital Working Group was due to meet on 27th January 2016 and delegated authority to the Chair to progress details with management with the proviso that an extraordinary meeting would if necessary be called to consider firm recommendations for approval.

Delegated

The Board also discussed cash flow implications involved with the latest options presented by the SFA which would need to be worked through.

The Principal then touched on the main report which had been discussed at CWG on 21 October under item 6 which in turn was reported to F&GP under item 10 and which aimed to update Governors on the latest developments in relation to the Kirkby site.

The Principal reported on progress with negotiations with potential buyers for Kirkby and the reduced offer based on the restrictive covenant issues and that the Planning application for demolition had been approved.

The Board received the reports and noted the latest developments regarding Stockbridge Lane and Kirkby Campus.

Noted

7. Chair's and Governors' Communications

The Chair reported on his Learning Walk, the benefits involved and recommended them to Board members. The Chair reported on discussions with partner Colleges and the recent AoC North West Governance Workshop that some other Governors also attended. The Chair thanked members for their time on the validation panels for the College SAR. The Student Governor fed back on his work with management on the student voice which is represented in the documentation posted to the portal. The Vice Chair reported on her Learning Walks and her work with management on English and Maths as part of a national programme of support for Governors. Governors thanked students and staff for a successful performance of

	Beauty and the Beast.	
8.	<p><u>Principal's Report</u></p> <p>The Principal spoke to the report and verbally expanded on the three issues covered; Comprehensive Spending Review – the settlement for FE, Devolution Deal and Student Stories.</p> <p>The Governing Body received the report and noted the information provided.</p>	Noted
9.	<p><u>Strategic Operational Plan 2015-18</u></p> <p>The Principal spoke to the report which had been discussed at F&GP on 11th Nov under item 13 and which aimed to make Governors aware of the latest changes to the plan and how this will be shared with the Governing body.</p> <p>The Principal made reference to the key points in the report.</p> <p>The Board received the report, discussed progress against the plan and noted the report.</p>	Noted
11.	<u>This item is the subject of a discrete confidential minute.</u>	
12.	<p><u>Management Accounts (September/October 2015)</u></p> <p>It was noted that the September accounts had been considered under item 5 and recommended to Board at the F&GP meeting on 11th November and that accounts were supplied monthly in electronic format to all Governors. The Board agreed to focus on the October accounts.</p> <p>The Finance Director (FD) spoke to the accounts which aimed to provide Governors with an update on the College's current financial position and financial performance to date.</p> <p>The Board focused on the October accounts and the FD reported on the key points as outlined in the overview</p> <p>The Board requested clarification on an aspect of the wording in the overview, requested that the FD look at the budgeted income profile and questioned the level of debts (mainly to do with a previous sub-contractor).</p> <p>The Board approved the management accounts for September and October 2015.</p>	Approved
13.	<p><u>Audit Committee Annual Report</u></p> <p>The Audit Chair spoke to the item which had been discussed under item 6 at the Audit Committee on 4th November. The report aimed to review the work of the Committee during 2014-15 and give assurance to the Board on the comprehensiveness, reliability and integrity of assurances including the college's governance, risk management and internal control framework.</p> <p>The Audit Chair reported that the Audit Committee considered the report at its meeting on 4th November 2015 and considers that the college has an adequate and effective control system and the Governing Body can rely on the systems that are in place based on the committee's work during the year 2014-15.</p> <p>The Board reflected on membership pressures, the need to consider additional members in light of recent changes and considerations over the possible extension of existing audit suppliers in light of external policy changes.</p> <p>The Board received and approved the Audit Committee Annual Report 2014-15.</p>	Noted
14.	<p><u>2014-15 Annual Report and Financial Statements</u></p> <p>The FD spoke to the report which had been discussed and recommended under item 7 at Audit on 4th November and under item 6 at F&GP on 11th November, both Committees recommended the report and statement to the Board. The report aimed to present the Board with the college financial statements for the year ended 31 July 2015 as audited by KPMG, External Auditors.</p> <p>The FD reported that the 2014-15 accounts show that the College delivered an operating surplus of £108,000 and that this represented a significant improvement</p>	

on the 2013-14 outturn position (£1,287,000 deficit). The FD reported on KPMG's opinion on the financial statements which:

- "give a true and fair view of the state of the College's affairs as at 31 July 2015 and of the College's surplus for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the 2007 "Statement of Recommended Practice – Accounting for Further and Higher Education."

The FD reported on KPMG's opinion on other matters prescribed by the Joint Audit Code of Practice issued jointly by the SFA and EFA as:

- "proper accounting records have been kept, and
- the financial statements are in agreement with the accounting records"

The FD reported that KPMG's conclusion on page 24 stated:

"In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 August 2014 to 31 July 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them."

The FD verbally reported on the management letter that he had just received regarding an issue with the College not going to procurement for architect fees and the auditor's comments on the SFA capital grant issue.

The Board questioned the title on page 1 and reference to the nature of the authority areas referenced on page 6.

The Board received the report, noted the endorsement and recommendation by Audit and F&GP Committees, approved the report and authorised the Chair to sign the financial statements and respective letters of representation.

Approved

15. Learner Numbers and Funding report

The FD spoke to the report which had been discussed at F&GP on 11th November under item 9. The report aimed to provide an update on learner numbers against target and against allocations from the both the Education Funding Agency (EFA) and Skills Funding Agency (SFA).

The FD and DC&LS reported on EFA numbers and issues, adult classroom based numbers, 24+ loan numbers and on-going recruitment activities for NEET young people and engagement work with the Princes Trust.

The Board questioned 24+ loans and noted that 29 students had not processed their loans. Management reported that the deadline was early in the New Year for loan application completion (with support for student where appropriate).

The Board received the report, noted the current volumes of students enrolled for 2015-2016 and the potential funding implications.

Noted

16. Updated 3 Year Financial Plan

The FD spoke to the report which had been discussed and approved at F&GP on 11th November under item 7. The report aimed to seek approval of the Updated Financial Plan covering a 4-year period to 2017/18.

The FD reported on the recent case conference, the invest to save strategy, building capacity, projected income by funding stream, projected expenditure, other financial issues affecting the Financial Plan, gearing, the projected bottom line and health scores for 2015-16 to 2017-18.

The Board received the report and endorsed F&GP Committee's recommendation and approved the Updated Financial Plan.

Approved

17. 2014-15 Self-Assessment Report and Quality Improvement Plan 2015-16

The DP spoke to the report which had been discussed at QA on 2nd December under item 11 and recommended to Board. The report aimed to seek approval from the Board for the judgements and grading outlined in the draft SAR 2014-15.

The DP reported on the areas for judgement (Effectiveness of Leadership and Management - Good, Quality of Teaching, Learning and Assessment - Good,

Personal Development, Behaviour and Welfare – Good and Outcomes for Learners – requires improvement). The DP reported that the College was self-assessing at an Overall Grade of Good for 2014-15, reported on the key quantitative points from the SAR and that the SAR now included judgement against types of provision that covers Study Programmes (Good), Adult Learning Programmes (Good to Outstanding), Apprenticeships (Requires Improvement) and Learners with High Needs (Outstanding).

The Board queried the link with the Quality Improvement Plan (QIP) and the DP reported on activity to date to populate the QIP from the SAR findings and that this would be posted up on the portal monthly with progress highlighted.

The Board received the report and approved the findings from the draft SAR against the criteria outlined in the Common Inspection Framework (CIF) 2015.

Approved

18. Attendance and Retention

The DP spoke to the report which aimed to inform Governors of the attendance and retention rates up to and including November 2015.

The DP reported that attendance was at 82.5% against a target of 90%, that attendance remained a challenge (particularly for English and maths where a differentiated approach was being applied – target 85%), that curriculum teams have access to a suite of reports to enable timely intervention and that the new Education and Training methodology is now being used for reporting purposes. The DP also reported on a strong position with Retention performance.

The Board questioned the rationale for the lower attendance target for English and maths and the DP reported on considerations that included discussions with an FE Inspector.

The Board received the report and noted the current average attendance and the retention rate up to and including November along with the some of the strategies being used to improve attendance and punctuality.

Noted

19. Progress Against KPIs and Targets

The DP presented the report which had been discussed at F&GP on 11th November under item 12 and which aimed to present the updated 2015/16 performance outturns against Key Performance Indicators (KPIs) and targets used in the College to measure success in 2015/16.

The DP reported on work to engage on 16-19 issues with the Local Authority (particularly those not in education, employment or training – NEET), that attendance and punctuality remain a challenge (see item 18), that a differentiated approach for English and maths attendance has been introduced (see item 18), that retention was above target, that a utilisation exercise was taking place to review staffing and class sizes prior to end of term and that sickness absence was 1.8% points above target (cover arrangements were in place to minimise impact).

The Board received the report and noted the updated KPIs for 2015-16.

Noted

20. Business Development and Employer Engagement

The Chair introduced the report for noting and the DBD&ES expanded on key developments.

The Board also noted the recent BIS report on the impact of skills and training interventions on the unemployed which hailed the “substantial impact” of FE in getting unemployed people back into work.

The Board received and noted the report.

Noted

21. Use of College Seal

The FD spoke to the report which aimed to inform governors of the use of the College Seal.

In line with the report itself, the Board acknowledged the following use of College Seal over the past couple of months:

- (i) Agreement relating to underwriting of works in relation to the construction of an annex at the former Christ the King Centre or Learning; and
- (ii) Deed of Variation to the Bond agreement with Knowsley Metropolitan

Borough Council.

The FD also brought to the attention of the Board a verbal update of subsequent use of College Seal:

- (iii) Deed of Variation to the existing loan with Knowsley Metropolitan Borough Council (item 22 on the Agenda);
- (iv) SMART Logistics Academy grant agreement for Skills Capital Investment Fund (Sites and Premises – Strand 1) with Merseytravel (acting as accountable body for Liverpool City Region LEP); and
- (v) Grant Agreement for Skills Capital Investment Fund (Equipment – Strand 3) with Merseytravel.

The Board received the report and approved the application of the seal for items (i) to (v).

Approved

22. Deed of Variation

The FD spoke to the report which had been discussed and approved at F&GP on 11th November under item 8. The report aimed to seek approval for the proposed amendments to the existing loan agreement with Knowsley Metropolitan Borough Council.

The FD reported on the background and amendments involved (as discussed at F&GP).

The Board endorse the F&GP Committee's recommendation to approve the proposed Deed of Variation to the existing loan agreement with Knowsley Metropolitan Borough Council and authorised the Chair to sign on its behalf.

Approved

Date of Next Ordinary Governing Body Meeting – Thursday 12th February 2016

The Chair closed the meeting by thanking staff, management and Governors for their hard work over 2015, wished all parties well for the festive break and the New Year.