

**Minutes of the meeting of the Governing Body held on 30th June 2016
at Bistro 36, Roby Campus**

Present: Mark Flinn (Chair), Anne Pryer (Principal), Tim Molton, John McDonough (Student), Joe Keegan, Jim Pinsent, Terry Holmes, Julia Tinsley, Denise Connolly (Staff) and Benjamin Bennett-Stanley (Staff)

In attendance: Gill Banks (Deputy Principal), Kevin Williams (Finance Director), Paul Wood (Head of MIS), Julie Milad (Head of HR), Andrew Ellams (Director of Business Development and Employer Services), Jim Parker (Director of Curriculum and Learner Services – Interim), Matthew Hirst (Fusion for item 1), John Dunlop (CRBE for item 1) and Craig Williams (Clerk to the Governing Body).

		ACTION
1.	<u>Sale of Roby Campus (Confidential item)</u> This item is the subject of a discrete and confidential minute.	
2.	<u>Apologies for Absence</u> Apologies from Pam Jervis, Beth Harrison and Aidan Sergent	Noted
3.	<u>Determination of Observers/Attendees</u> The Governing Body agreed attendees/observers at the meeting as per the above attendance list.	Noted
4.	<u>Declaration of Interest</u> None	Noted
5.	<u>Minutes of the meeting held on 21st April 2016 (including confidential items) and the confidential minutes from the Extraordinary Board Meeting 8th June 2016</u> The minutes of the meeting held on 21 st February (including confidential items) and confidential minutes from 8 th June 2016 were agreed as a true record subject to minor corrections.	Approved
6.	<u>Matters Arising</u> Governors considered the report on matters arising from the Ordinary Governing Body meeting on 21 st April 2016 and noted the status outlined.	Noted
7.	<u>Report on CWG (4th May), QA (18th May), Audit (8th June) and S&G and F&GP (15th June) Committees</u> The Clerk spoke to the report which aimed to inform the Board of the key activity from Committee meetings from 22 nd April to 15 th June 2016. The Clerk reported on the items from the Committees that had been approved and those which have been recommended to the Board whilst making reference to the items that were due to be considered by the Board that afternoon. The Clerk made particular reference to the approval of the Internal Audit - Audit Plan, membership recommendations (whilst verbally reporting on the Student Governors elections and the nomination of Ross Comer and Michael Molyneux as Student Governors for 2016-17), the recommendation to extend the terms of office for Chair and Vice Chair, Code of Conduct approval and 2016-17 sub-contractors approval. The Board received the report, noted the activity outlined and approved recommendations from Committees (whilst noting that some other items in the report were being covered in more detail as part of the meeting agenda) and approved Ross Comer and Michael Molyneux as Student Governors for 2016-17).	Approved
8.	<u>Chair's and Governors' Communications</u> The Chair reported on the Pride of Knowsley Awards, the SFA Case Conference	

and the Area Review meetings.

9. Principal's Report

The Principal reported on early implications for Brexit, the Chartered Institute of Logistics and Transport awards and the Northern Logistics Academy, developments with the Lee Stafford Academy, the Matrix Accreditation Review and student/college success stories. The Principal commented on a successful (if challenging) year for the College, the launch of the LCR Growth Strategy earlier that morning and the rising profile of demand led training.

The Board received the report and noted the information provided.

Noted

10. Merger Update

The Principal spoke to the report which aimed to update Governors on progress with regard to a merger in principle with St Helens college (SHC) – subject to due diligence (DD) and in the context of the Liverpool City region the Area Based Review (ABR).

The Principal reported that the Board's in principle agreement to merge with St Helens College had been shared with the Deputy Commissioner at the ABR one to one meeting held on 13th June 2016 and that the decision was formally shared with the ABR steering group on 16th June 2016. The Principal of KCC and St Helens have worked together to review timelines and to start to establish a route map forward and the Principal and Chair meet with SHC on 1st July 2016 to discuss progress and challenges.

The Principal reported on the link with the developing ABR with regard to the Transition and Transaction funds (and the hurdles involved), work with Lloyds Bank to appoint Due Diligence consultants (including the framework for financial and legal Due Diligence), initial work streams (Finance, Structure, Human Resources and Communications) and that the decision had been communicated to staff and Unions at both Colleges and key stakeholders.

The Principal reported on conversations with the Deputy FE Commissioner, the opportunity to secure ABR support at Area Review meeting 3 (with St Helens College), pending discussions with SHC the following morning and the FD reported on pending appointment with the SFA Transition Funding team on 7th July. The Chair reported on the role of Governors on what will initially be a Steering Group of eight (4 from each College) before any Shadow Board was formed and that Jim Pinsent would be the nominated Governor for the Group along with the Chair and Vice Chair.

The Governing body received the report and noted:

- Actions undertaken to date with regards to the merger process and the planned timeline for taking forward the process over the next 6-8 months.
- The impact on ABR on the process and the opportunity to access support funding through the ABR steering group on 21st July 2016.
- The need to agree membership of a joint board and the Project steering group
- The tender process for Due Diligence

Noted

Noted

Noted

Noted

11. Area Based Review (ABR)

This item was covered under item 10.

Noted

12. Estate Strategy Update (Stockbridge Lane & Kirkby)

The Principal spoke to the report which aimed to update Governors on the latest developments in the accommodation strategy in relation to Stockbridge Lane and the Kirkby site.

The Principal reported on August deadline for decant to Stockbridge lane, the Planning issues to do with the car park, cost overruns (legal and SFA claw back) which takes the overall cost to £9.6/9.7 million. The Principal reported that the SFA had been informed and that the College had tested the cash flow to ensure this does not destabilise the budget for 2016-17 and beyond. The Principal reported that Funders approval for Stockbridge was achieved in week commencing 13th June with a formal letter to follow, that the College had employed an experienced contractor to oversee the move to Stockbridge lane, that weekly staff communication on the move was in place for staff and that staff had already part decanted from A block to C block to allow for works to start on the asbestos survey.

The Principal reported that the college was progressing planning for the Northern Logistics Academy in Kirkby with challenges regarding the classification of the site and access arrangements. The College is now advised that the KMBC Planning Committee will formally consider this on 21st July 2016.

The Principal verbally reported on discussions with potential interested parties for Kirkby campus and the potential opportunities for students. The Board questioned the Council's position over the covenant and offer compared with any commercial offers given the implications for budget and covenant with the bank.

The Board commented on the opportunity to secure the cash sooner rather than later and negotiations with any claim on capital receipts. The Board commented on the Funders Agreement, the Community Use Agreement and Lease Agreement which should all be complete by middle of July.

The Board received the report and noted:

- (a) The latest developments for the Stockbridge lane campus
- (b) The latest developments for Kirkby campus

Noted
Noted

13. Notice of Concern (Finance) – Confidential Item

This item is the subject of a discrete and confidential minute.

14. Revised Strategic Plan & Update

The Principal spoke to the report which aimed to update members on the Strategic Plan (SP) and Strategic Operational Plan (SOP) which have been amend in light of discussions at the away day in February and which have been subsequently reviewed by the senior leadership team.

The Principal reported that the SP provides a structure for the College to identify and progress key business objectives alongside the SFA Recovery plan, part of the FE Commissioner intervention from April 2015.

The Principal reported on the draft updated SP for 2016-2018, that the objectives would be adjusted in July/August and that a new SOP would be in place for the new academic year 2016-17. The Principal reminded members that the SOP for 2015-16 is updated on a monthly basis and that the June update was on the portal.

The Principal reported that the SP objectives had been fully reviewed to ensure objectives reflect the college's development in 2015-16 and to plan for further change in the sector in 2016-17. The Principal reported that the Plan had been updated in the full knowledge of the Area Based Review and that this Plan would feed into a new SP that would need to be developed for any merged organisation.

The Board reflected on the evolving nature of the plan. The Chair welcomed feedback from members to the Principal over the following weeks and the Principal reported on feedback from the Matrix Accreditor on the plan being very business focused.

The Board received the report, noted the comments and approved the updated Strategic Plan and the development of a new Strategic Operational Plan for 2016-17

Approved

15. Post Inspection Action Plan

The DP spoke to the report which had been to QA on 18th May (item 11) and which aimed to provide an update to the Governing Body on progress against actions in the College PIAP.

The DP reported that the focus of the PIAP is to secure the best possible outcomes for 2015-16 and planning for 2016-17 and that the PIAP included the areas identified in 'What the Provider Needs to do to Improve Further' from inspection. The DP reported that the improvements to the Quality of Teaching, Learning and Assessment have informed the staff development week 27th June – 1st July and that the college had not received any correspondence from Ofsted with regards to the Support and Challenge arrangements following inspection in early March. The DP indicated that the PIAP was monitored regularly through SLT, Performance and Quality Group (fortnightly) and Performance Reviews and that updates are provided monthly.

The Board recognised and welcomed the work and detail of the plan and thanked management for their endeavours on the quality front and the Principal commented on the benefit of a summary briefing for members.

DP

The Board received the report and noted the progress made against actions.

Noted

16. Curriculum Plan 2016-17

The DC&LS spoke to the report which aimed to inform Governors of the outline Curriculum Plan for 2016-17 plus an update on progress against the Curriculum Planning timeline.

The DC&LS reported that curriculum planning processes ensured that the College Faculty plans are closely aligned to the college's strategic priorities, funding allocations (financial sustainability) and quality improvement drivers. The DC&LS reported that the sum of Faculty plans results in the college meeting or exceeding all volume and quality targets within the budgets set and that the process also ensures that there is a constant dialogue on faculties' contribution to the College's strategic priorities.

The DCLS reported that Curriculum planning processes started in November 2016, using Labour Market Intelligence to inform plans. The Curriculum planning timeline is on target to achieve all set deadlines as outlined in 16i. The Curriculum Plan is linked to local and regional priorities and sensitive to progression and local opportunities for learners as outlined in 16ii. Growth has been planned for Access to HE provision, Higher Education and the Northern Logistics Academy (NLA) – 16iii and partnerships confirmed with Lee Stafford Hairdressing Academy for September 2016 and the Prince's Trust Team programme.

The Board welcomed the Plan and documents and questioned whether HGV training would feature as part of the Logistics Academy and management commented that the College would seek to pursue the provision off site with partners and fed back on recent discussions with employers. The Board sought clarification of the use of associates and requested a presentation on the logistics academy in the autumn term. The Board also queried the nature of the partnership with Lee Stafford (growth based).

DP &
DC&LS

The Board received the report and approved the Curriculum Plan for 2016-17.

Approved

17. Attendance and Retention

The DC&LS spoke to the report which had been to QA on 18th May (item 9) and which aimed to inform Governors of the attendance and retention rates up to and including week ending 17th June 2016.

The DC&LS reported that attendance continues to remain a key focus for College managers and is monitored on a weekly basis at SLT. The attendance rate to 17th

June was reported at 81.3% (8.7% points below 90% target and 2.4% points down on 2014-15) although it had improved by 1.3% points since the May report to QAC. The DC&LS reported on work to improve attendance from day one of the new academic year and that a new framework of timetabling for English and maths has been introduced putting English and maths at the core of Study Programmes to improve attendance at English and maths sessions. Since 18th April management have been reporting on student attendance for classes below 80% - this will continue into 2016-17. The Student Performance Policy has also been updated for 2016-17 following consultation with the coordinator for improving attendance for Knowsley schools. The current punctuality rate is 96% which is 2% points lower than the target of 98%.

The DC&LS reported that from the 2015-16 academic year a new Education and Training Methodology had been introduced, which combines both classroom based provision and work placed learning (WPL) into a single measure. Overall College retention targets were set using the national percentiles, the College outturn in 2014-15 was 92.2% which is at the 50th percentile. Based on the new methodology the retention rate is 89.7%, which is 2.1% points below the National Average. Adult retention currently stands at 91.5%, with 16-18 retention at 88.0%. Comparing the classroom based element to this time last academic year, the current in year retention is 91.0%, compared to 92.3% as at May 2015. The DP reported on rates by month and that for the 2015-16 academic year, an automated process was introduced ensuring the timely processing of student withdrawals (based on non-attendance for 4 weeks) which eliminates the lag that previously existed in providing timely in-year retention data.

The Board questioned the reference to reporting on staff managing their class attendance and the nature of attendance rewards and management commented that they felt that they could do more on rewarding good attendance once timetabling had been addressed.

The Board received the report and noted the college attendance and retention rate up to and including 17th June 2016.

Noted

18. Progress Against KPIs and Targets

The DP spoke to the report which had been to F&GP on 15th June (item 15) 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 16-18 apprenticeship recruitment, attendance and punctuality, the new Education and Training methodology (E&T), the overall E&T Achievement rate for the College - 83%, the overall Apprenticeship National Rate - 71.7% and Timely 58.9%, the Employer FE Choices survey results (employer recommendation 92.7%) and complaints.

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

Noted

19. Management Accounts (March and April 2016)

The Finance Director (FD) spoke to the accounts which had been to F&GP on 15th June (item 10) and which aimed to provide Governors with an update on the College's current financial position and financial performance to date.

The FD reported on the key points as outlined in the overview and emphasised revenue surplus and cash position.

The FD reflected that the May accounts had been shared and posted to the portal on 29th June and welcomed comments or queries from members on the accounts or on June and July's as they are published to members in July and August respectively.

The Board reflected on the stable position since the last re-forecast.

The Board approved the management accounts (subject to comments) for April 2016.

Approved

20. Learner Numbers and Funding report

The DCLS spoke to the report which aimed to provide an update on learner numbers against target and against allocations from the both the Education

Funding Agency (EFA) the Skills Funding Agency (SFA).

The DCLS reported on EFA and SFA numbers and funding for 2015-16 and that the College was down on volumes and funding for both EFA and SFA programmes. The DCLS reported that the college had now been advised of its 2016-17 allocation, which as forecast is based on 1,100 students. The DCLAs reported on adult Apprenticeship numbers (958) and 16-18 Apprenticeship numbers (109), the latter being the a challenge for recruitment in 2015-16 mainly due to redundancies experienced by two key City Region employers which caused them to postpone the launch of their annual apprenticeship programme. The DCLS reported on 24+ loan numbers (98) and that additional volume for EFA/SFA had been generated through partnership working with Prince's Trust. The DCLS reported on planned growth for 2016-17 in Access to HE provision and the Higher Education.

Noted

The Board received the report and noted the volumes of students enrolled during 2015-16 and potential funding implications.

Noted

21. Contract Changes and Staffing Efficiencies - Update

BBS and DC declared an interest.

The HHR spoke to the report which aimed to update members on contract change process and related efficiency savings.

The HHR reported on the consultation process to introduce new terms and conditions and salary scales for Lecturers and Trainer Assessors. The HHR reported that as the College had been unable to reach an agreement on these changes the college commenced a process of dismissal and re-engagement on the new contracts and that having commenced the process the College had been approached by Regional officials with a view to reaching an agreement on these changes. The HHR reported that the negotiations had been successful and that the changes had been agreed thereby avoid the need to dismiss and re-engaging staff.

The Board recognised the difficulty and sensitivities involved with the contract changes and congratulated management on achieving the agreement with UCU.

The Board received and noted the report and verbal update.

Noted

22. Supply Chain Fees Policy

The FD spoke to the report which aimed to seek approval for the Supply Chain Fees and Charges Policy.

The FD briefly reported against the headings outlined in the Policy.

The Board questioned the sub-contracting rate in light of the withdrawal of LMA and management outlined clarifying work with LMA on their respective deprivation rate.

The Board received the report and approved the Supply Chain Fees Policy for 2016-17.

Approved

23. 2016-17 Fees and Charges Policy

The HoMIS spoke to the report which aimed to seek approval to the proposed Fees and Charges Policy for 2016-17.

The HoMIS briefly reported against the headings outlined in the Policy and focused on key points and updates in section 5, 6 and 7.

The Board questioned charges outlined in 8.3 and queried SHC rates which would require harmonisation in due course.

The Board received the report and approved the 2016-17 Fees and Charges Policy.

Approved

24. i - 2016-17 Budget and 3 Year Forecast

The FD spoke to the report which had been to F&GP on 15th June (items 9) and which aimed to present the proposed budget and related commentary for 2016-17 and indicative budgets for 2017-18 and 2018-19.

The FD reported on the key issues as flagged and discussed at F&GP, the importance of the Logistics Academy and staffing issues.

The Board received the report, accepted the recommendation of Finance & General Purpose Committee, approved the proposed budget for 2016-17 and noted the indicative budgets for 2017-18 and 2018-19. Approved

ii - Three Year Financial Plan

The FD spoke to the report which had been to F&GP on 15th June (items 11) and which aimed to present proposed 3-Year Financial Plan and commentary for the years 2015-16 to 2017-18.

The FD reported on discussions at the SFA Case Conference and opportunity to moderate the judgements on overall financial health. The FD reported that having consulted with SFA colleagues the College would have a case for moderation. The FD also reported on a successful growth bid and sought permission to include into the budget for 2016-17.

The Board questioned moderation processes and the FD reported on the implications of an early capital receipt on the SFA financial health score.

The Board requested that the final budget and 3 Year plan be posted up for members' information. FD

The Board received the report, accepted the recommendation of Finance & General Purpose Committee, approved the 3-Year Financial Plan 2015-16 to 2017-18, endorsed the case to apply for moderation and include the recent additional growth income and support the College's efforts to achieve a 'satisfaction' financial health grade across the three-year period. Approved

25. Business Development Update

The DBDES presented the report which aimed to update Governors on business development activity during the 2015/16 year.

The DBDES reported that on the employer base, the Northern Logistics Academy, IAM technology, commercial development, volume of employer provision, adult Apprenticeship growth, improving recruitment of 16-18 Apprentices, distance and online learning, Workworld and the interim release of the Employer Satisfaction Survey.

The Board congratulated management on the successful growth bid and took clarification on the table breaking down organisations by sector.

The Board received the report and noted the Business Development Update. Noted

26. Use of College Seal

The Principal spoke to the report which aimed to inform Governors of the application of the College Seal to binding documentations.

The Principal reported that the corporation's seal is affixed to certain legal documents to express the corporation's intention to bind the college as such it is a requirement that the Board is notified when it is applied. The Principal reported that the seal had been used on four occasions over the past three months for the annexe build at Stockbridge lane and more recently with a range of projects through the LCR Local Enterprise Partnership (LEP):

- Strand 2 – 2 improvement projects fully funded by the LEP – improvements to the LRC at Princess Drive and funding towards the bridge at Stockbridge lane to link the campus to the 'North'.
- Strand 1 – the Northern Logistics Academy in partnership with St Helens College
- Strand 4 – Low carbon project to support the college to install more efficient systems for lighting.

The Board clarified the technical nature of the legal effect of the College seal.

The Board received the report and noted the use of the College Seal as follows:
i. Design and build contract - Stockbridge lane – Annexe John Turners (seal dated 4/3/16) Noted
ii. Grant agreement Skills Capital Investment Fund (Sites and Premises Strand 1) (seal dated 30/3/16). Noted
iii. Grant agreement Skills Capital Investment Fund improved facilities (Strand Noted

- 2 project 2) (Seal dated 1/4/16)
- iv. Grant agreement Skills Capital Investment Fund improved facilities (Strand 2) (seal dated 15/16/16). Noted

27. Board and Committee Meeting Dates 2016-17

The Clerk spoke to the report which aimed to inform the Board of dates for Board and Committee meetings for the academic year 2016-17.

The Clerk reported that the dates had been worked up with respective Chairs and College management. The Clerk requested that the Board notes that dates for 2017 may change in light of any possible merger and that the Board may require additional Extraordinary Board meetings to accommodate due considerations and processes (as much notice of possible would be given).

The Board received the report and noted the Board and Committee meeting dates for 2016-17. Noted

Date of Next Ordinary Governing Body Meeting – Thursday 13th October 2016

The Chair closed the meeting by thanking John McDonough for his time and contribution as a student Governor for the past two years and wished him well with his University career.