

**Minutes of the meeting of the Governing Body held on 15th December 2016
in the Board Room, Main Campus**

Present: Mark Flinn (Chair), Anne Pryer (Principal), Pam Jervis, Jim Pinsent, Terry Holmes, Julia Tinsley, Denise Connolly (Staff) and Benjamin Bennett-Stanley (Staff)

In attendance: Gill Banks (Deputy Principal), Kevin Williams (Finance Director), Jette Burford (SHC), Susan Jee (SHC), John Dunlop (CRBE – for item 10) and Craig Williams (Clerk to the Governing Body).

The Chair welcomed JB and SJ to the meeting as observers.

		ACTION
1.	<u>Apologies for Absence</u> Apologies from Tim Molton, Joe Keegan, Beth Harrison, Ross Comer and Aidan Sergent.	Noted
2	<u>Determination of Observers/Attendees</u> The Governing Body agreed attendees/observers at the meeting as per the above attendance list.	Noted
3.	<u>Declaration of Interest</u> None declared.	Noted
4.	<u>Minutes of the meeting held on 13th October 2016 (including Confidential Minutes) and Confidential Minutes from Extraordinary Board on 3rd November 2016</u> The minutes of the meetings held on 13 th October 2016 (including Confidential Minutes) and Confidential Minutes from Extraordinary Board on 3 th November 2016 were agreed as a true record subject to clarification on cash flow and cost savings involved with the merger which were acknowledged and which would be picked up under 9iv.	Approved
5.	<u>Matters Arising</u> Governors considered the report on matters arising from the previous meetings and noted the status outlined.	Noted
6.	<u>Report on CWG (19th Oct), Audit (23rd Oct), S&G (30th Nov), F&GP (30th Nov) and QA (7th Dec)</u> The Clerk spoke to the report which aimed to inform the Board of the key activity from Committee meetings from the beginning of the new academic year. 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 items not on the Board agenda regarding Audit's approval of the Risk Management Policy, F&GP's recommendation to Board not to make a pay award in 2016-17 and QAC's approval of the E&D Policy. The Board approved the recommendation on pay award in light of the financial situation of the College and with a sense of regret in not being able to address an award in 2016-17. The Board took comments on the quality of Safeguarding and Equality & Diversity Policies and welcomed the depth of data being considered at QAC. The Board received the report, noted the activity outlined and approved recommendations from Committees (whilst noting that some other items in the report were also on the meeting agenda).	Approved
7.	<u>Chair's and Governors' Communications</u>	Approved

	<p>The Chair reported on his attendance at the SHC Board on 12th December and thanked College staff and students for a very enjoyable Board dinner and Christmas show on the 8th December. TH reported on pending H&S work following the recent audit and considerations at Audit and F&GP Committees – see items 25 and 26.</p>	Noted
8.	<p><u>Principal's Report</u></p> <p>The Principal verbally reported on devolution and capital, Metro Mayor, national Transition Funds (£726M), George Howarth's work on raising education issues in Knowsley, Education Commission visit, UTC developments, Supported Learning, Lewis Webster's Silver in the WorldSkills national heats (the Board passed on their congratulations) and Post 16 Skills Plan developments.</p> <p>The Board questioned whether the Council were tracking the recent closure of UTC's in other parts of the country.</p> <p>The Board noted the verbal report.</p>	Noted
9	<p><u>Merger Update</u></p> <p><u>9i Recommendations for merged College Group Board</u> – The Clerk spoke to the report and the Board approved KCC membership of merged Board. The Chair thanked the Governors going forward for their continued commitment and for those standing down for their support of the College.</p> <p><u>9ii Greater Merseyside Pension Fund</u>– the FD reported that Rob Molloy did have a meeting with the pension fund on Monday but feedback was not available for the meeting. The FD indicated that a formal note would be circulated.</p> <p>The Board noted the update.</p> <p><u>9iii – Merger Consultation Feedback</u> – the Principal spoke to the report on consultation feedback and made specific reference to the detailed feedback from Knowsley Borough Council, a meeting with George Howarth MP which resulted in a subsequent letter of support and feedback from students.</p> <p>The discussed the balanced report on College merger in the Liverpool Echo on 14th December.</p> <p>The Board noted the report and requested that a mutually agreed summary report be posted up on the KCC and SHC websites within two months of 8th December (in line with requirements).</p> <p><u>9iv – Draft Legal Transfer Documents</u> – the FD reported on the 18 items on the Legal and Finance Action Plan, making specific reference to key items not on the agenda. The Principal reported that the plan had been to the JSG.</p> <p>The Board questioned when the Financial Plan had been sent and requested that it be circulated to Governors for their information and PJ, JP and TH offered to come in to consider the Plan. The Board queried progress with Eversheds Transfer document - in draft for consideration.</p> <p>The Board noted the Legal and Finance Action Plan.</p>	Approved FD Approved AP FD Noted
10.	<p><u>Estate Strategy Update</u></p> <p>The Chair welcomed John Dunlop (CRBE) to the meeting and the Chair questioned the latest position since JD attended F&GP on 30th November. JD reported that the Council had reservations with taking the application before Christmas and AP reported on discussions with the Chief Executive of the Council (who had yet to formally respond). JD reported on progress with Bellway's continued investment in the site and the Board questioned whether the timeline could be shorter than 13 weeks and the Principal reported that she had raised this point as part of her discussions with the Chief Executive of the Council. The Board noted the separation of powers between the Executive and Planning Officers. JD reported that the two prices from Bellway would be available on 16th December and JD reported that he had a requested a hybrid position price.</p>	Noted

The Board questioned whether the under bidder had been approached and JD reported that he had received a net offer on outline basis of £4.125M. The Board questioned whether the Section 106 agreement had been reached (which JD confirmed) and questioned the position of the contract with Bellway and absolute discretion considerations. The Board discussed how best to serve price considerations along with any formal decision and it was agreed to await information from CRBE on 16th December.

JD reported on the background to and detail of demolition proposals and reported that he was unable to extend the proposed six month long stop and the Board discussed the risk involved with the possibility of the sale not going through. The Risk was discussed in light of any vandalism and asbestos disturbance and the Principal reported on discussions with SHC. The Board questioned as to when the agent would need to know and considered the implications for KCC should the merger not go through. JD left the meeting.

The Principal then spoke to the report which had been discussed at F&GP on 30th November under item 8 and which aimed to update Governors on the latest developments in the accommodation strategy in relation to Stockbridge Lane (outstanding contractual documentation that requires sign off as KCC) and IanTECH. The Principal reported on discussions with JB and RM at SHC.

The Clerk reminded the Board of its responsibilities for assets under the Instruments and articles.

The Board noted the latest developments with regard to Stockbridge Lane, Kirkby and IanTECH and approved the demolition of Roby Campus.

Noted
Approved

11. Revised Strategic Plan & Update

The Principal spoke to the report which had been discussed at F&GP on 30th September under item 11 and which aimed to provide and update to the Governing Body on the Strategic Plan and Strategic Operational Plan (SOP) for 2016-18.

The Principal reported on intervention meetings, lower than anticipated numbers of EFA and HE learners for 2016-17, cash flow pressures, reducing Apprenticeship achievement rate (down 12% points), support and challenge visit and improved overall outcomes for learners (up 1.5% points).

The Board noted updates to the plan for 2016-17 (which assumes status quo and therefore, although mindful of potential merger is the plan for KCC only) which includes the financial recovery plan as part of continued SFA intervention.

Noted

12. Quality Improvement Plan

The DP spoke to the report which had been discussed at QAC on 7th December under item 7 and which aimed to update Governors on the Quality Improvement Plan (QIP) for 2016-17.

It was noted that that the report included the areas identified in 'What the Provider Needs to do to Improve Further' from inspection, that it is monitored regularly through SLT, CMT, Performance and Quality Group and Performance Reviews and that updates are posted up to the portal monthly for Governors information. It was also noted that QIP is monitored by Paul Cocker HMI through the Support and Challenge intervention. The QIP had been updated during the self-assessment report (SAR) writing process to include new and emerging areas for development and (following feedback from the HMI) further detail and clarity around named responsibilities.

The Board received the report and noted the latest version of the QIP.

Noted

13. 2015-16 Self-Assessment Report (SAR)

The DP spoke to the report which had been discussed at QA 7th December under item 7 and which aimed to secure approval from the Governing Body for the judgements and grading outlined in the draft SAR 2015-16.

The DP reported on discussions at validation meetings, indicated that the SAR would be posted up to the Ofsted portal in early 2017 and that a refreshed version of the SAR showing in year progress will be produced in spring term.

The DP reported on rating by judgement fields:

- Overall – Requires Improvement
- Effectiveness of Leadership and Management – Requires Improvement
- Quality of Teaching and Learning – Requires Improvement
- Personal Development, Behaviour and Welfare – Good
- Outcomes for Learners – Requires Improvement
- 16-19 Study Programme – Requires Improvement
- Adult Learning Programmes – Good
- Apprenticeships – Inadequate
- Provision for Learners with High Needs - Good

The Board questioned the impact on leadership and management in light of Apprenticeship and English and maths performance and the DP reported that L&M would need to reflect such considerations. The Board questioned the reasons for poor performance in Apprenticeships and the DP reported on the three reasons (Develop U, English and maths and students being made redundant). The Board discussed the issues with Develop U performance, the College's response, the impact to students and questioned why the issues had not been picked up earlier.

The Board discussed the challenge Governors had put into the validation process and welcomed the detail of performance figures as presented in the SAR and the valued comment from the HMI. The Board requested that, although it understood the matter regarding Apprenticeships performance had not come to light until October, it be informed of poor performance and issues on a timely basis.

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

Approved

14. 2016-17 KPIs and Targets

The Chair presented the report which had been discussed at QAC on 7th December under item 13 and at F&GP on 30th November under item 10 and which aimed to present the updated 2016/17 KPIs and Targets.

The Board noted the alternative offer for NEET students, Apprenticeship performance (KZN and Develop U issues), staff utilization work, the current observation profile, attendance, retention, outcomes rates for 2015-16, English and maths and value added.

The Board questioned attendance and the DP reported on the latest position (as posted to the portal) and on over 600 interventions.

The Board received the report and approved the updated KPIs and targets for 2016-17.

Approved

15. Curriculum Planning Update

The DP spoke to the report which had been discussed at QAC on 7th December under item 8 and which aimed to inform Governors of the Curriculum Planning process for 2017-18.

The Board noted the Curriculum Planning timeline.

Noted

15i. Business Development and Employer Engagement

The DP presented the report which aimed to update Governors on Business Development and Employer Engagement activity.

The Board questioned the figures presented on Achievement rates and the DP clarified the difference between the respective rates (current excluding Develop U and legacy – which was reported as the last year for legacy issues).

	<p>The Board noted the employer base, work to engage employers, concerns over Apprenticeship Achievement rates for 2015-16, the pending Apprenticeship Levy and reforms, range of Apprenticeship programmes, Workworld and the employer satisfaction rate.</p>	
	<p>The Board received and noted the report.</p>	Noted
16.	<p><u>Outcome of Ofsted Support and Challenge Visit</u></p>	
	<p>The DP spoke to the report which had been discussed at QAC on 7th December under item 14 and which aimed to inform Governors of the recent Ofsted Support and Challenge Visit on December 1st.</p>	
	<p>The Board noted positive feedback on attendance monitoring and promotion of Prevent, on-line safety and British Values. Areas for further work include, tracking of progress around skills development, Apprenticeship monitoring and named responsibilities in QIP.</p>	
	<p>The Board received the report and noted the outcomes of the visit (formal letter due in January 2017).</p>	Noted
17.	<p><u>Audit Committee Annual Report</u></p>	
	<p>The Clerk spoke to the report which had been to Audit on 23rd November under item 8 and was recommended to the Board. The report aimed to present the 2015-16 Audit Committee Annual Report to the Board as part of the Board's consideration on the Statement of Corporate Governance and Internal Control in the annual accounts.</p>	
	<p>The Clerk emphasised the role of the Committee and purpose of report in terms of giving the Board assurance with regard to their consideration of the Annual Report and Consolidated Financial Statement (see next item). The Clerk clarified that whilst the report covered 2015-16 activity, the Committee had received and noted the Internal Audit Annual Report for 2015-16 at its meeting on 23rd November 2016 when the Committee also considered the 2015-16 Annual Report and Financial Statement.</p>	
	<p>The Board approved the Audit Committee Annual Report for 2015-16.</p>	Approved
18.	<p><u>Annual Report and Consolidated Financial Statement</u></p>	
	<p>The FD spoke to the report which had been discussed at Audit under item 9 and at F&GP on 30th November under item 5 – both Committees recommend the report to Board. The report aimed to present Governors with the College's annual report and financial statements for the year to 31 July 2016 as audited by KPMG, external auditors.</p>	
	<p>The FD reported on a £96K surplus for the year, pressures on reducing income and that this was the second year that the College had delivered a surplus. The FD also reported on technical adjustments in line with FRS 102 requirements, reduction in pension liabilities, discussions regarding impairment of Roby and Kirkby and on the opinion of the College's external auditors.</p>	
	<p>The FD reported on pending Adult Skills and Apprenticeship statement from the SFA that was still outstanding.</p>	
	<p>The Board queried technical aspects of FRS 102 accounting procedures and its impact on revenue. The Board also flagged a series of typos for feedback to the auditors.</p>	
	<p>The Board approved the Annual Report and Consolidated Statement as endorsed by Audit and F&GP Committees and approved the sign off of required documentation by the Chair.</p>	Approved
19.	<p><u>Management Accounts (October 2016)</u></p>	
	<p>The Finance Director (FD) reported that the October accounts had been to F&GP on 30th November under item 6i. The FD spoke to the accounts which aimed to provide Governors with an update on the College's financial position as of the end of October.</p>	
	<p>The FD reported on the key points regarding a forecast operating deficit of £40K in 2016-17, Stockbridge lane capital project, adverse costs pressures, possible</p>	

redundancy costs related to merger and cash flow considerations in light of sale of Roby. The FD reported that the October accounts did not reflect recent developments with KZN. The FD reported that the Exceptional Financial Support had been paid, possible delay with receipt of capital from sale of Roby and implications for cash flow (including consideration of demolition costs). The FD reported on discussions with Lloyds bank around reducing loan on sale of Roby (which differed from their position should the merger go ahead) as they do have a charge on Roby.

The Board approved the management accounts for October 2016.

Approved

20. Learner Numbers and Funding report

The FD spoke to the report which had been discussed at F&GP on 30th November under item 7 and 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 Board noted the summary of the current position with additional detail on 16-18, EFA, SFA and planned activity post enrolment.

The Board questioned why the numbers of students were down and the Principal reported on activity to retain more Knowsley students in terms of offer, progression routes (especially a 14-18 package), performance and facilities to retain and enhance market share. The Board noted a programme for NEET Learners developed with the Council for delivery in the new year.

The Board received the report and noted the current volumes of students enrolled for 2016-2017 and potential funding implications.

Noted

21. Notice of Concern (Finance) – Confidential Item

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

22. Human Resources Annual Report 2015-16 (including procedures review)

The Chair presented the report which had been deferred from the last meeting.

The Board noted the contract change process, redundancy, workforce statistics, recruitment as outlined and noted that the absence figures for 2015-16 % of days lost was 4.37% not 14.37% as outlined in the report.

The Board received and noted the report.

Noted

23. Risk Management and Register

The Principal spoke to the report which had been discussed at Audit on 23rd November under item 14 and which aimed to provide Governors with an update on the Risk Management Register for 2016-17.

The Board noted the changes to risks 4, 5, 8 and 9.

The Board recognised that the full register was regularly updated and posted up to the portal and noted the report.

Noted

24. Use of College Seal

The FD spoke to the report which aimed to inform Governors on recent use of the College seal.

The FD reported that the seal had been recently applied to agreements on deeds of appointment and warranties with Armson & Partners, Altrinca Services Ltd, A&B (Mechanical Services Division), TW Fabrications Ltd, I.E.D Installation Ltd, Mercury Consulting Engineers Ltd, Hi Spec Cladding & Roofing Limited, Cross Concrete Flooring Limited, Roger Bullivant Limited and Bretton Architectural Limited.

The Board received the report and approved the application of the College seal.

Approved

25. Health, Safety & Environment Report

The Principal spoke to the report which aimed to inform the Governing Body about the management of Health and Safety (H&S) in 2016 and to share the draft Health

and Safety Policy for 2016-17.

The Principal reported on reduction of accidents, H&S training, number of trained first aiders, audits, student visits/trips and risk assessments. Management reported that the staff structure would be added to the report before it is loaded on to the portal.

The Board noted the report for 2016 and approved the 2016-17 update to the Health and Safety policy.

Approved

26. Health, Safety and Environment Committee

The Chair presented the minutes from the internal Health, Safety and Environment Committee for Governors information.

The Board discussed the internal Audit report on H&S and subsequent actions considered at the HS&E meeting on 5th December. The Board requested further breakdown on staff training details, specifically those staff who have undertaken the online Health and Safety training, commented that the Policy should not be specific in terms of referencing the Learner as accidents may involve staff, and noted that TH would be undertaking a follow-up meeting to discuss the progression of actions with regard to the internal audit at Princess Drive in January 2017.

The Board noted the minutes

Noted

Date of Next Ordinary Governing Body Meeting – Thursday 2nd February 2016