

**Minutes of the meeting of the Governing Body held on 14th September 2017
in the Board Room, Main Campus**

Present: Mark Flinn (Chair), Anne Pryer (Principal), Jim Pinsent, Tim Molton, Aidan Sergent, Pam Jervis, Julia Tinsley and Benjamin Bennett-Stanley (Staff).

In attendance: Gill Banks (Deputy Principal), Stuart Arnside (Finance Director), Jette Burford (CEO Designate) and Craig Williams (Clerk to the Governing Body).

	ACTION
<p>1. <u>Apologies for Absence</u></p> <p>Apologies from Terry Holmes, Beth Harrison, Joe Keegan, Denise Connolly (Staff) and Susan Jee (SHC observer).</p>	Noted
<p>2. <u>Determination of Observers/Attendees</u></p> <p>The Governing Body agreed attendees/observers at the meeting as per the above attendance list.</p>	Noted
<p>3. <u>Declaration of Interest</u></p> <p>None.</p>	Noted
<p>4. <u>Minutes of the meeting held on 5th July 2017 (including Confidential Minute)</u></p> <p>The minutes of the meeting held on 5th July 2017 (including Confidential Minute) were agreed as a true record.</p>	Approved
<p>5. <u>Matters Arising</u></p> <p>Governors considered the report on matters arising from the previous meetings and noted the status outlined.</p>	Noted
<p>6. <u>Chair's and Governors' Communications</u></p> <p>The Chair reflected on the busy summer for KCC and SHC colleagues and thanked staff concerned for their efforts over the summer and for the work involved for the planned merger.</p> <p>The Chair referred to the Clerk's email to Board members on 26th July advising that the F&GP (20th Sept) and QA meeting 27th Sept have been cancelled and that this Board seeks to pick up on the pressing financial and quality issues that require governance consideration prior to merger. The Chair confirmed that the 12th October meeting would also pick up any residual issues.</p> <p>The Chair and Governor communications were noted</p>	Noted
<p>7. <u>Merger Update</u></p> <p>7i – Restructure Fund Bid - The CEO reminded members that the Transition Board minutes and papers were on the Governor Portal for information and reference. The CEO verbally reported on feedback from the Transaction Unit on the successful Restructure Fund bid (notification and detail on four conditions circulated to members on 17th August) and the impact on merger plans (covered in more detail under item 7ii). The CEO commented on the generation of KPIs for curriculum as part of the Transaction Unit's preparations and that the Restructure Fund proposal had gone to the Secretary of State with a recommendation to sign off (expected within two weeks). The CEO reported on the revised merger date of 1st November 2017.</p> <p>The CEO formally requested that the end date of the existing Transition Agreement (approved by the Board at its meeting on 9th March 2017 under item 9iv) be formally extended from 20th September 2017 to 31st October 2017.</p>	Approved

The CEO reported that the current pre-merger management arrangements and accountability were progressing well in terms of joint working and on some initial harmonisation HR issues.

The CEO reported on recent developments with regard to the Merseyside LGPS contract in terms of the full contract being available having been considered by both sets of Solicitors. The CEO reported on the need to have a signed contract prior to merger. The Board discussed the position and delegated authority to Mark Flinn and Jim Pinsent to consider and sign the contract on the Board's behalf.

Approved

The CEO also reported on developments with the PFI contract and pending discussions at Transition Board re the indemnity clause. The CEO reported on the need to have the deed of variation signed off. The Board discussed the position and delegated authority to Mark Flinn and Jim Pinsent to consider and sign the contract on the Board's behalf.

Approved

The Board reflected on AP's and GB's initial experiences as Principals of SHC and KCC and the initial work of Vice Principals. The Board queried the indemnity issue with the PFI contract and the CEO outlined feedback from legal advisers that focused on the risk involved with the role of the local authority and JP outlined the technical principles involved. The Board questioned the nature of the role for the required Transition Manager role and the CEO fed back on discussions with the TU re change and project management responsibilities in a consultancy capacity. The Board queried whether there was any financial liability involved with the pension contract and the CEO fed back on security (secondary charge behind bank and before the SFA) negotiations.

Noted

The Board noted the report and verbal update.

7ii – Dissolution (Resolution and Legal Considerations) – The Clerk made reference to the report on the 5th July (under item 9ii – Draft Resolution to Dissolve) and updated members with regard to the publication of the approved Draft Resolution to Dissolve on the KCC website on 20th September 2017 (delayed in line with the delayed TU timeline and feedback on Restructure Fund bid), advised member that the scheduled Board meeting for 12th October would now consider the final resolution to dissolve and that the meeting would also consider the legal document that have been worked up with Eversheds, Mark Flinn and Jim Pinsent (under delegated authority).

AP

The Board commented that no documents had been forthcoming from Eversheds to date and requested notification when the draft resolution to dissolve was published.

Noted

The Board noted the report and update.

8. Management Accounts (July 2017)

SA spoke to the July 2017 accounts which aimed to provide Governors with an update on the College's financial position as well as outturn forecast, with relative small change compared with June 2017. SA commented on them being draft accounts which are subject to external audit.

SA reported on the detailed changes that resulted in a £22K deterioration in accounts from the position in June 2017, pay as a percentage of income (73.7%), cash flow (including exceptional financial support) and estates issues (including completion of sale of Roby in October).

The Board questioned negative income on two lines and SA reported that this was to reconcile actual earned income and pay back. The Board reinforced the agreed principal that the accounts would show only actual earned income (rather than payments). The Board reflected on a difficult year due to under recruitment, and issues with sub-contractors (KZN and Develop-U) and thanked SA for his work in recent months.

The Chair commented on these being the last accounts for this Board and the merged Board would consider the 2016-17 year end and closing accounts for the three months in 2017-18 (in line with approved budget).

The Board approved the management accounts as an accurate record for income and expenditure for July 2017.

Approved

9. Notice of Concern (Finance & Apprenticeships) – Confidential Item

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

10. Learner Recruitment 2017-18

The Deputy Principal (DP) spoke to the tabled report which aimed to provide an update on learner numbers against target and against allocations from the ESFA.

The DP reported that 16-18 Learner Allocation for 2017-18 is 953 and that to date the college has achieved 877 (92%) in a declining demographic. 150 of the students are subcontracted to Liverpool Football College, with the remaining 727 students being direct KCC enrolments. At this same point last year, the college had enrolled 774 students so KCC is currently 47 learners down compared with the same point in time. Of the KCC 16-18 enrolments 43% are returning students from 2016/17. Areas where under recruitment has been seen are Performing Arts, Art & Design and ICT and areas with notable over recruitment are Adult GCSE (that involves a four week taster) and Hair and Beauty.

The classroom based Adult Education Budget for 2017- 18, is £1.55 million and 318 students have enrolled against a target of 327 qualifying students. Additional enrolments via the Prince's Trust Partnership with Merseyside Fire and Rescue Service are planned throughout the year. Advanced Learning Loan recruitment is steady with 142 learners enrolled to date against a target of 170.

The DP reported that the recruitment of Apprenticeships has been slow since the introduction of the Apprenticeship Levy in May 2017 and that work is ongoing across the College Group to ensure that opportunities under the levy model are maximised.

The DP reported on post enrolment activity regarding review of class sizes and staff utilisation (which will inform any required operational action), on-going recruitment activity, partnership activities with Merseyside Fire and Rescue Service and Princes Trust Programme (which is expected to recruit 72 learners) and planned activity with LA Officers and Engagement teams to engage NEET students (which will boost 16-18 recruitment).

The Board questioned the 16-18 allocation in terms of how it compares with lagged funding and management commented on the College being paid for 933 under lagged funding arrangements and balancing work on lagged funding across the pending College Group. The Board discussed KPIs on class numbers for the merged College.

The Board received the report and noted the current volumes of students enrolled for 2017-2018 and potential funding implications.

Noted

11. SAR & QIP (final 2016-17) Update

The Deputy Principal (DP) spoke to the report which aimed to update Governors on progress against actions in the College QIP for 2016-17 and to provide Governors with the timeline for completion of the College and Group SAR.

The DP reported on the aim of the QIP (to secure the best possible outcomes for 2016-17) and how it had been monitored in 2016-17 (by SLT, Performance and Quality Group and Performance Reviews) with updates being provided monthly to Ofsted. The DP commented on the areas for improvement in QIP and the specific actions and intended outcomes (with named responsibility) which enables management to ensure that swift improvement occurs. The DP indicated that end of year updates are included but final results were still being processed and that a separate Apprenticeships action plan has been written to provide regular updates to the ESFA as part of the Notice to Improve process.

The DP reported on the outline SAR process with colleagues at SHC which provided clarity around accountability and deadlines for completion and which would result in a single SAR for the merged College (that is peer reviewed by colleagues from other colleges).

The Board questioned whether the College had received any feedback from Ofsted and the College reported that given the pending merger the College would get a new Support and Challenge Ofsted Inspector - the initial visit will be in March 2018 (which would consider the 2016-17 outcomes and progress of students in 2017-18).

The Board received and noted the report.

Noted

12. Safeguarding Annual Report

The Principal spoke to the report which aimed to share with Governors the annual safeguarding report. This report provides detailed analysis of the referrals and seeks to give a broader picture of our activities aimed at keeping our students safe.

The Principal reported that 89 students had been supported by the Designated Safeguarding Officer team (up by 37 on 2015-16) of which 66% had been retained (down on 2015-16 retention rate). Three (3%) students were excluded and the remaining 27 (30%) were withdrawn. The Principal reported that 86% of the retained students achieved their qualifications fully or achieved units and are continuing, that 54% of referrals (48) were female and 52% of referrals were for under 18s. The three main referral cause were: emotional/mental health issues; violence and/or threats or bullying (by both students and others), and concerns over physical safety (neglects, missing etc). During 2016-17 the Head of Learner Services chaired the Knowsley Safeguarding Children's Board (KSCB) Engagement Sub-Committee and the Head of Learner Services participated in a three day Prevent Study visit to Gothenburg in December 2016, resulting in networking and sharing of good practice. The Principal flagged the proposed next steps as outlined in section 12 of the report.

The Board thanked Trisha Long and her team for their work with vulnerable student which is reflected in the report.

The Board questioned as to where the three students who had been excluded where now and management reported on sign posting work with in the College and with the local authority. The Board questioned as to what an applicant was, whether the issues presented were due to external factors or College based activity and whether this could be broken down in the report so as to identify any specific issue within College. The Board discussed the proportion of student presenting who have a learning need, debt advice support work and discussed the issues involved and potential links with Credit Union.

The Board noted the report and the proposed next steps.

Noted

13. English and Maths 2017-18

The Deputy Principal (DP) spoke to the report which aimed to provide an update on the plans to improve outcomes for Maths and English in 2016/17 and to identify areas of progress and concerns.

The DP reported that attendance had improved in English and Maths sessions from 74% in 2015-16 to 81.3% in 2016-17. For 16-18 attendance was higher on Functional Skills programmes compared to GCSE programmes. The English and Maths Committee (with Governor representation) had been a positive development and delivered a positive impact on attendance and improvements in Maths outcomes.

The DP reported on detailed performance for GCSE Maths regarding retention, pass rates, high grades, predicted, actual end year grades and pre-access issues and work on establishing pass rates by member of staff.

On GCSE English the DP reported on the last year of coursework contributing to grades, the impact of sanction issues (and resulting appeal), impact of over reliance on coursework and need to improve examination preparation. The DP reported that the pattern for pass rates, 16-18 retention and performance on adult GCSEs were in line with GCSE Maths.

Functional Skills are still subject to change with re-sit activity taking place in September, that national achievement rates for Functional programmes are very low but KCC performance continues to exceed national rates. Retention issues reflect those for students on Study Programmes. For adults in WorkWorld, retention has been an issue for L1 rather than L2 learners and this year, a number of learners stopped attending following the increase in difficulty from entry to L1 and were withdrawn in line with the Student Performance Policy. Outcomes in Functional Skills Maths were positive as performance exceeded national rates for 16-18 learners and Adults but the mid-year change in the standards of the reading exam had impacted on timely L2 attainment. In-year predictions of performance have generally been accurate on Functional Skills programmes.

The Board corrected the report regarding GCSE programmes requiring *two* sessions per week (not one). The Board expressed concern over the College's moderation and queried the basis of the appeal (maladministration and student maltreatment) and management confirmed that it was both. The Board requested that the College contact the Chief Moderator to raise the College and Board's concerns.

GB

Noted

The Board received and noted the report.

14. Apprenticeships Update

The Deputy Principal (DP) spoke to the report which aimed to update Governors on Apprenticeships.

The DP reported that 2016-17 achievement rates for 2016/17 continue to be affected by the non-achievement of subcontracted Develop-U Learners (there are no learners with Develop-U beyond those who have now completed their programme), overall achievement for 2016-17 is currently 50.5% (60.2% excluding Develop-U learners) with a Best Case of 56.3% and 67% respectively. Timely Achievement for all provision in 2016-17 is currently at 43.0% (45.7% excluding Develop-U) with a Best Case of 48.4% and 51.9% respectively. Develop-U learners will not affect Apprenticeship achievement rates for 2017-18, however, the withdrawal of JLR from the Apprenticeship programme will affect Overall Achievement Rates in 2017-18.

Apprenticeship Quality Intervention continues via the fortnightly Apprenticeship Focus Meeting, which has driven a 25% improvement in Overall Achievement Rates and 28% improvement in Timely Achievement Rates since February 2017. Under performing programmes have been removed from the Apprenticeship offer for 2017-18 and a new Apprenticeship in Traffic Office Operations was introduced in August 2017.

A first cohort of four Apprenticeship Levy learners from KMBC enrolled during August 2017. Issues for levy paying employers involve releasing member of staff and 20% on job training requirement. There are a further 20 Apprentices identified for enrolment during September 2017.

There are no new Apprentice subcontracts for 2017-18 and the College has submitted a bid to the ESFA for an Apprenticeship Non-Levy Allocation to cover the period 1st January 2018 to 31st July 2019.

The Board received and noted the report.

Noted

15. Audit Committee Annual Report 2016-17

The Clerk spoke to the report which aimed to present the 2016-17 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.

The Clerk reported that the report seeks to fulfill the requirement that the Audit Committee must: "assess and provide the corporation with an opinion on the adequacy and effectiveness of the corporation's assurance arrangements, framework of governance, risk management and control processes for the effective and efficient use of resources, solvency of the institution and safeguarding of its assets."

The report seeks to fulfil this requirement by summarising the Committee's activities, by giving the Committee's opinion on the adequacy and effectiveness of the College's framework of governance, risk and control and how the College has secured value for money and by recommending the report to the Board so as to underpin the Board's own opinions in the Statement of Corporate Governance and Internal Control in the annual accounts (to be considered in due course by the merged Board).

The Clerk reported that this was being presented to Board as the Audit Committee was not due to meet until 22nd November which would be after the merger date and that the year-end accounts will need to be considered by the merged Board. Therefore, it was appropriate that these considerations are supported by the Audit Committee Annual Report. The report is based upon Audit activity as recorded in minutes as the Internal Auditor's report was not available at time of writing. However, the report has been approved by the Chair of Audit Committee.

The Chair commented on the report (corrected a numbering sequence under item 8), thanked Audit Committee members for their support of Audit work in 2016-17 and recommended the report to the Board.

The Board thanked TM for his work as Chair of Audit.

The Board approved the Audit Committee Annual Report 2016-17.

Approved

16. Merseyside LGPS – Employer Discretions

The Principal spoke to the report which aimed to provide the Board with the information necessary in order that they may consider and approve the content of the individual discretions.

The Principal reported that Regulation 60(1) of the LGPS (Administration) Regulations 2013 and Regulation 66(1) of the LGPS (Administration) Regulations 2008 require that employers formulate and publish policies with regard to a number of 'discretions' they have under their provisions. The Principal reported on the 13 Employer Discretions outlined in Appendix 1 to the report and that the Discretions mirrored those already approved by the SHC Board and (if approved) would enable a smooth transition of pension arrangements with Merseyside LGPS at point of merger.

The Board discussed the background to the Merseyside LGPS request for the discretions.

The Board approved the 13 Employer Discretions outlined in Appendix 1 of the report and authorised the Principal (as Chief Accounting Officer) to sign off.

Approved

The Chair closed the meeting by thanking Craig Williams on behalf of the Board for his Clerking support over the past four and a half years and wished him well with his new role at Tameside College.

Date of next ordinary meeting Thursday 12th October 2017