

MEETING OF THE GOVERNING BOARD

TIME/DATE 4.00pm 8th July 2021

VENUE Virtual meeting by way of TEAMS due to the Coronavirus pandemic

Present:

Mr S Pierce	Principal
Mrs. S Jee (Chair)	External Governor
Mr. J Pinsent	External Governor
Mrs. E Brocklehurst	External Governor
Mrs. J Heap	Staff Governor
Mr. B Bennett-Stanley	Staff Governor
Mr. K Sanderson	External Governor
Mr. N Shore	External Governor
Ms. A Cannon	External Governor
Mr. P Han	External Governor
Mr. J Heritage	External Governor
Mrs. D Calderbank	External governor
Dr D Balsamo	External Governor
Mrs S Warburton	External Governor
Mrs L Duncan	External Governor
Mr Collum-Marsh	Student Governor
Ms K Mansfield	Student Governor
Mr A Lang	External Governor
Mr A Owen	External Governor
Ms Z Desai	External Governor

In attendance:

Mr S Jones	ESFA
Mr R Garcha	CFO
Mr M Doyle	Deputy Principal
Mrs L Lloyd-Williams	Governance Director
Mrs J Callaghan	Director of Marketing, Sales and Customer Relations and Managing Director of Waterside

	The meeting opened at 16.02 and was quorate with at least 7 Governors present, the majority of whom were external members.
1	DECLARATIONS OF INTEREST There were no declarations of interest.

2	<p>APOLOGIES</p> <p>Apologies were received and accepted from Dr Balsamo, Mrs Heap, Mrs Warburton and Mr Shore. It was noted that Mr Owen and Mr Bennett- Stanley would potentially be late.</p>
3	<p>NOTIFICATION OF ITEMS OF URGENT BUSINESS</p> <p>There was no urgent business.</p>
4	<p>MINUTES OF THE MEETING HELD ON THE 20th May 2021</p> <p>The minutes of the meeting on the 20th May 2021 were approved as a true and correct record of the meeting.</p>
5	<p>MATTERS ARISING</p> <p>The Governance Director advised that matters were either a work in progress such as the Board review action plan or for the next academic year. The Principal advised that the College had now agreed an area for HE provision.</p> <p>Item 11- the Vice Chair asked for some more details on effectiveness of different channels and the Director of Marketing confirmed that this could be provided before the next meeting.</p> <p>Action: Director of Marketing</p>
13	<p>WATERSIDE TRAINING (This item was elevated on the agenda)</p> <p>The Director of Marketing spoke to her report, which provided an update on the overall performance and current position of Waterside Training.</p> <p>The Board were advised that it was a very positive picture and the following were highlighted:</p> <ul style="list-style-type: none"> • Apprenticeship recruitment was achieved to plan. • Retention for the new first year intake was currently 100%. • Current year leavers were all on track to complete in the coming weeks. • Recruitment for the new academic year was 27 against a planned number of new starts for 2021/2022 of 32. • Technical sales were forecast to deliver the original planned income target of circa ██████ • Forecast surplus was currently ██████ ahead of budget year to date. The cash position remained positive. <p>Regarding performance it was noted that Waterside underwent a curriculum area review in June, the outcome of which was that there were some good strengths highlighted, and the majority of practice was judged as “effective” or better.</p>

	<p>Governors asked about the figures on the budget and asked for an explanation of the ATA situation. The Managing Director explained this to the Board. Mr Sanderson endorsed the performance of Waterside and the Managing Director. Governors expressed their thanks to the Managing Director.</p> <p>16.15 The Director of Marketing left the meeting.</p>
6	<p>PRINCIPALS REPORT</p> <p>The Principal spoke to his report which</p> <ul style="list-style-type: none"> • Provided a summary of the current financial performance and the draft budget for 2021/22 • Summarised progress against the Further Education Commissioner’s (FEC) recommendations and the Education and Funding Agency (ESFA) Financial Notice to Improve (FNTI) • Updated the Board on progress against the College’s Transformation Programme. • Summarised the latest position in respect of managing Covid-19. • Set out a programme for refreshing the College’s strategy. <p>[REDACTED]</p> <p>The Board were advised of the forthcoming meeting with the local authority and DFE to try and address some of these issues.</p> <p>Governors asked about the stocktake report and the realignment of the Deputy Principal and Vice Principal roles and asked how this would be judged. The Principal gave further details on this explaining the different focus of the two role holders and that he would be looking to have leadership of the Knowsley site from the Vice Principal.</p> <p>The Governance Director raised the issue of appointment to the strategic advisory group. Ms Cannon offered her assistance and the Governance Director was asked to email Governors for further volunteers.</p> <p>Action: Governance Director</p>
7	<p>RISK REGISTER</p> <p>The Board were advised that following consideration by the college’s risk management committee and scrutiny by the Audit committee the revised corporate risk register was before the Board with a number of risks having been deleted. The Board had also been notified within the report of both increased and decreased risks and the reasons for this. Mr Lang advised that he had considered the risk register as asked to do at the last meeting and was able to endorse the risk register.</p>

The Board noted the Corporate Risk Register, endorsed the approach adopted under the risk management framework and asked that a tidied-up version of the risk register be provided to the Board between now and the next meeting.

Action: CFO and Governance Director

FINANCE: MANAGEMENT ACCOUNTS (This item was elevated on the agenda)

The Board considered the College Group management accounts for the 10 months to 31 May 2021 the key points of which were:

- [REDACTED]
- [REDACTED]

It was noted that the positive variance was largely attributable to staff cost savings against the budgeted provision [REDACTED]. Also, there were overhead savings attributable to campus closure during 'lockdown', due to Covid-19 and the release of some brought forward provisions.

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- The Government's financial health-score for the consolidated Group was assessed as 'Requires Improvement' for the year ending 31 July 2021, with a predicted score of 170.
- The Group and the College were predicted to meet all the bank's covenant tests based on the forecast.

Governors asked about the FEC recommendations and the recommendation regarding pay as a % of income ratio and the CFO was asked to comment on this in relation to the accounts. The CFO explained the staffing costs included

[REDACTED] The CFO advised that the College still needed to take action because after this time [REDACTED]

[REDACTED] The Vice Chair commented that the conclusion from the FEC recommendation was

	<p>that the College was not spending enough on staff and this might be affecting quality, but this was not necessarily the case because of [REDACTED] and he wished the Board to be aware of this.</p> <p>Regarding cash, Governors asked about the continuing discussions with financiers and what the nature of these discussions were. The CFO advised that this related to an old FEC recommendation regarding having a facility in place if it was needed. The College had not had to use this facility, but dialogue was on going as a further contingency.</p>
8	<p>FINANCE: APPROVAL OF BUDGET 2021/22</p> <p>The CFO presented to the Board the consolidated budget for 2021-22 for the College Group, incorporating Waterside Training Limited, it having been previously scrutinised at FR&C committee. The headlines, in summary were:</p> <ul style="list-style-type: none"> • [REDACTED] • EBITDA increase to 7.1% from 6.2% • Financial performance moves from Requires Improvement to Good • All bank covenant tests met • Cash days at 31 July 2022 [REDACTED] (hitting strategic plan target). Cash always in surplus. • [REDACTED] • Staff costs/income under 60% per FEC measure • Includes provision for the first pay award for 11 years. • The College moves to 'Good', reaching 180 points with [REDACTED] of potential contingencies within the budget that should help mitigate against any shortfall in surplus. <p>The Board were advised that the major risk to the projected performance was whether Covid continued to impact on student numbers enrolling for courses, it having been noted that Covid had an adverse impact on adult recruitment in 2020-21.</p> <p>The Chair of the FR&C committee was asked to provide his feedback from the committee. He advised that there had been huge progress from the previous year, but that the Colleges financial position still needed to be driven forward. The committee chair added that one of the things that stood out was the average class size and that the ambition to achieve a 16 student average class size had been an ambition for a couple of years but had yet to be achieved. The College had achieved what it had through cost management but could only go so far with that and was now at a point where it needed to start to think about how to improve the income side. The Principal commented that he felt the College could achieve an average class size of 15 /16 and</p>

	<p>agreed that growth was needed. Governors commented that the College should try and protect a pay award.</p> <p>It was</p> <p>Resolved to approve the budget for 2021/22.</p>
10	<p>SUBCONTRACTING</p> <ul style="list-style-type: none"> • Approval of subcontractors 2021/22 • approval of subcontracting policy <p>Governors asked what the quality processes around subcontracting were. The Deputy Principal advised that all of the measures within the Quality Improvement Framework are applied to subcontractors so they are subject to the same rigour as the schools within college. On the recommendation of FR&C it was</p> <p>Resolved to approve the use of the following subcontractors:</p> <ul style="list-style-type: none"> ■ [REDACTED] ■ [REDACTED] ■ [REDACTED] ■ [REDACTED] ■ [REDACTED] <p>And to approve the subcontracting policy.</p>
11	<p>LETTER TO THE PRINCIPAL AND FINANCIAL DASHBOARD FROM ESFA</p> <p>The Board noted the letter to the Principal and financial dashboard from the ESFA, which is an annual process whereby the ESFA share the financial position of the College. As had been previously reported to the Board, the letter confirmed the College financial health position of 'Inadequate' in comparison with the sector. However, it was also noted that the Colleges position had improved significantly in 2020/21 and it was intended that the budget would deliver a position of 'Good' financial health in 2021/22.</p> <p>The Board noted the letter.</p>
12	<p>QIP UPDATE</p> <p>The Chair commended the Deputy Principals executive summary.</p> <p>The Board considered the report, which updated Governors on the College's performance against the Quality Improvement Plan and Scorecard.</p>

	<p>Governors were advised that of the 24 RAG ratings in the QIP, including two that were added following the Ofsted progress monitoring visit in February 2021, eight were 'green', thirteen were 'amber' and three remained 'red'. Governors were given details of these in the report. The Deputy Principal advised the Board that they needed to be mindful of the impact of Covid for example around attendance, industry placements etc.</p> <p>Governors asked about the lesson observations and the comment that the figure was too high. The Deputy Principal explained that it was not yet believed that teaching was good throughout the College and therefore, for such a high % of lessons to be identified as being effective was unrepresentative of the true College position. The Board were advised that there are ongoing changes regarding the College's observation process which has been an ongoing topic of discussion at the Quality and Outcomes committee. Governors asked had the College attempted to quantify what the outcomes of a lesson should be for a lesson to not require reobservation. The Deputy Principal advised the threshold for reobservation is 4 out of 10 criteria and the College had looked at what the difference might be if the number were lowered to 3 and that for next year the College were currently reviewing the observation criteria.</p>
14	<p>GOVERNANCE:</p> <ul style="list-style-type: none"> • Schedule of business 21/22 • Schedule of Meetings 21/22 • Term of Office Paul Christian • Estates working group terms of reference • Terms of reference for committees. <p>It was</p> <p>Resolved to approve;</p> <ul style="list-style-type: none"> • The schedule of business for the Board for 21/22 • The schedule of meetings for 21/22 • The Estates Working Group terms of reference • The revised terms of reference for the Audit Committee, Curriculum & Quality Committee, Performance and Remuneration Committee and Finance, Resources and Commercial committee. <p>It was also</p> <p>Resolved to extend the term of office for Mr Paul Christian to the 31st December 2021.</p>
15	<p>MATTERS ARISING FROM COMMITTEES</p>

15a	<p>AUDIT COMMITTEE</p> <ul style="list-style-type: none"> • approval of internal audit plan 21/22 • approval of external audit planning memorandum • approval of amendment to 20/21 internal audit plan <p>Governors asked about the internal audit strategy item regarding financial and business planning for 18/19 which had a green tick and challenged this opinion, questioning whether the internal auditors had picked up on the lessons from that audit. It was explained that the scope of the audit would need to be looked at to answer the questions.</p> <p>Action: Governance Director and CFO</p> <p>It was</p> <p>Resolved to approve the internal audit plan 21/22, the external audit planning memorandum and to agree a variation to the internal audit plan for 2020/21 to remove the ‘mock’ funding audit. And to extend the internal auditor’s contract for a year.</p>
15b	<p>HE COMMITTEE</p> <ul style="list-style-type: none"> • HE Student Engagement Policy • HE Withdrawal Policy <p>It was</p> <p>Resolved to approve the HE Student Engagement Policy and HE Withdrawal Policy</p> <p>Thanks were expressed to the HE team for all their hard work.</p>
15c	<p>QUALITY & OUTCOMES COMMITTEE</p> <ul style="list-style-type: none"> • Code of Practice to ensure Freedom of Speech <p>It was</p> <p>Resolved to approve the Code of Practice to ensure Freedom of Speech</p> <p>The Board also agreed the change of name of the committee to Curriculum and Quality.</p>
15d	<p>FINANCE, RESOURCES & COMMERCIAL COMMITTEE</p> <ul style="list-style-type: none"> • Data Policy • Fees & Charges policy. <p>It was</p>

	Resolved to approve the data policy and fees and charges policy.
15e	<p>PERFORMANCE & REMUNERATION COMMITTEE</p> <p>Pension tax policy – annual and lifetime allowances</p> <p>It was</p> <p>Resolved to approve the Pension Tax Policy Annual and Lifetime allowances.</p>
16	<p>REPORTS OF SAFEGUARDING AND HEALTH AND SAFETY GOVERNOR</p> <p>The Safeguarding Governor asked that an anonymised case be brought to the Board and the Governance Director advised that this would come to Board on 14th October.</p>
17	<p>URGENT BUSINESS</p> <p>There was no urgent business.</p>
18	<p>DATE OF NEXT MEETING 14th October 4pm</p>
	The meeting closed at 18.10.