

MINUTES OF BOARD MEETING HELD ON 4TH JULY 2022 AT THE KINGSWAY CAMPUS

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| Present: | Karen Banks | External |
| | Neil McGrath | External (Chair) |
| | Andrew MacManus | External |
| | Mary Murphy | Principal |
| | Lynn Pegler | External |
| | Wesley Rourke | External |
| | Chris Sikorski | Staff (via Microsoft Teams) |
| | Ryan Turner | Staff |
| | Molly Whittle | Student |
| In Attendance: | Thalia Bell | Deputy Principal (Curriculum) |
| | Leeann Bellfield | Assistant Principal |
| | Alan Brown | Assistant Principal |
| | Julie Holland | Deputy Principal (Finance & Resources) |
| | Lesley Venables | Clerk to the Governors |

PART ONE

APOLOGIES FOR ABSENCE

258 Apologies for absence were received from Michele Bacon, Jayne Edwards, Tom McInerney and Susan Smith (External Governors).

DECLARATION OF INTERESTS

259 Declarations of interest were received from Wesley Rourke and Neil McGrath in respect of minutes 310 to 311.

UPDATE ON STRATEGIC ISSUES

260 Governors received a comprehensive briefing on progress against the strategic objectives, the COVID-19 pandemic and information on sector developments.

261 A number of Bills, Green Papers and White Papers had been introduced by the Government in the last six months, including the Skills and Post-16 Education Act (April 2022) and the Levelling Up White Paper (February 2022). The Principal reported that the Boroughs of Halton and Knowsley had been identified as two out of the 26 Priority Education Investment Areas (PEIAs).

262 The Schools White Paper (published in March 2022) was set to increase the Department for Education's (DfE) control over schools and academies with pupils expected to attend for 32.5 hours in school per week and all schools to join Multi-Academy Trusts (MATs) by 2030.

263 The Higher Education Bill would introduce Lifelong Learning Loans in 2025, which could provide opportunities for the College. As part of its planning process for the Special Educational Needs and Disabilities (SEND) and Alternative Provision (AP) in England – Green Paper the College was undertaking a Strategic Review of SEND provision led by a specialist consultant.

264 Other national developments included a 10% pay claim submitted to the Association of Colleges by the main teaching unions, with the AoC counter offer comprising 2.25%. The Office for National Statistics had recently proposed reclassifying further education colleges as 'public' sector organisations, which could have significant implications for their independence as stand-alone corporations.

265 The DfE had now published its Sustainability and Climate Action Strategy (April 2022) and the Deputy Principal had produced a video podcast for governors detailing progress to date, which had been well-received.

266 A consultation had been issued by the DfE on proposals to de-fund Level 3 qualifications that overlapped with T Levels. There would also be changes to the delivery of apprenticeships from August 2022, which would be considered as part of the College's internal Strategic Review process.

267 The College had submitted a collaborative bid for the Local Skills Improvement Plans (LSIPs) and the Strategic Development Fund (SDF) in conjunction with its partners in the Association of Liverpool City Region Colleges (AoLCRC). There was increasing pressure to reintroduce A Levels in the neighbouring borough of Knowsley as part of the Knowsley Learning & Skills Board and the College was working closely with stakeholders to consider all potential options. Progress with the strategy of the Halton Learning Alliance (of which the Principal was a board member) was slow but this organisation would be critical in driving forward the Levelling Up agenda.

268 Governors were advised that overall 16-19 offers were lower than in 2021/2022, but were in line with the corresponding levels in 2019. Apprenticeships recruitment was buoyant and income had exceeded £2m in 2021/2022. There had been 335 offers made for higher education programmes and further opportunities were projected with the introduction of Lifelong Learning Loans. The ESFA and Liverpool City Region Combined Authority (LCRCA) targets for adult provision had been met. In response to a question on difference between HE applications and the commitment in the College Plan to expand numbers in this area the Principal reported that any growth would be over a 3 year period and any resulting income would not be included in the Three Year Financial Forecast until it was confirmed.

269 The Quality, Efficiency and Growth (QEG) Plan had been updated to reflect performance as at June 2022 and the Strategic Plan for 2022/2023 had been revised following the governors' strategic event in April.

270 The College remained in a strong position to face the external challenges and proposed changes to the environment in which it operated.

- 271 **Resolved -**
- 1 That the Strategic Plan for 2022/2023 be approved.
 - 2 That the associated targets be submitted for approval to the Board's October meeting
 - 3 That the College Plan for 2022-2025 be approved.

- 4 That the ESFA College finance assessment letter and governor dashboards be noted.
- 5 That the update o/f the QEG performance monitoring be noted.

AUDIT COMMITTEE

272 The Chair of the Audit Committee provided a verbal report on the meeting held on 20th June 2022.

273 The Committee received two Internal Audit reports on Safeguarding and IT Data Security. Both areas had been graded as providing a 'substantial' level of assurance, with no recommendations on safeguarding and 1 medium priority, 2 low priority and 1 advisory recommendation on IT Data Security. This level of performance compared favourably to other colleges in the FE sector within ICCA's client base and the Committee recorded their thanks to the staff in these areas.

274 It was suggested that governors should undertake safer recruitment training in 2022/2023.

275 The programme of Internal Audit work for 2021/2022 was now complete and there were no recommendations that required follow-up.

276 The Committee received a draft of the Internal Audit Plan for 2022/2023 and recommended this for approval by the Board. The Plan had been based on discussions with management, a review of the risk register and ICCA's assessment of the College's performance. Governors felt that this provided a suitable level of coverage and it was noted that the visit on Corporate Governance should assist in preparations for the 3 yearly external reviews required under the Skills & Post-16 Education Act 2022 and the AoC Code of Good Governance. Progress against the Plan would be monitored at each meeting and the timing of reviews would be kept under review by management to ensure that these aligned to the College's operations and reporting cycles.

277 Governors received detailed proposals on the Financial Statements/Regularity Audit for 2021/2022, along with information on the current further education environment which could impact on the audit (for example, the surplus/deficit in relation to the Local Government Pension Scheme). The Plan was recommended for approval by the Board.

278 The Deputy Principal had presented a monitoring report on Risk Management, together with a draft presentation on the key components of the process and how the 10 strategic risks had been derived. It was suggested that in future risks should be aligned to the College's strategic priorities of Quality-Efficiency-Growth.

279 The Committee felt that further work was required on the 10 Strategic Risks to ensure that these reflected the opportunities/threats faced by the College and that perhaps a single risk owner (member of the senior management team) should be allocated responsibility for each of these. This would require further discussion with the SMT.

280 It was agreed that the full Board should be more actively involved in the Risk Management process, which should be the subject of a dedicated development session. The scores of some of the sub-risks had been changed to reflect the difficult external environment, such as student behaviour and increased competition locally.

281 The Clerk had presented a revised draft of the Committee's Terms of Reference for recommendation to the Board. These had been prepared to take account of recent changes in ESFA guidance under the Post-16 Audit Code of Practice.

282 Policies on Whistleblowing, Anti-Bribery, Anti-Fraud & Corruption and Anti-Money Laundering were recommended for approval.

- 283 **Resolved -**
- 1 That the Audit Plan for the 2021/2022 Financial Statements be approved
 - 2 That the Internal Audit Plan for 2022/2023 be approved
 - 3 That the following policies be approved:
 - Whistleblowing
 - Anti-Bribery
 - Anti-Fraud & Corruption
 - Anti-Money Laundering
 - 4 That the Committee's revised terms of reference be approved

QUALITY & STANDARDS COMMITTEE

284 In the absence of the Chair of the Quality & Standards Committee the Deputy Principal (Curriculum) provided a verbal update on discussions at its meeting on 21st June 2022.

285 The Committee had received presentations from the Head of Skills & Enterprise on employer engagement activities and from the Interim Head of Foundation Studies on the College's Equality, Diversity and Inclusion Strategy and the Social Model of Disability.

286 A detailed curriculum report was discussed. Applications for 16-18s were down slightly overall, particularly for A Level courses. Adult applications had also decreased compared to 2021/2022, with the most significant fall in Access programmes; however, HE applications showed an improved position.

287 Achievement of the targets for the Adult Education Budget (AEB) continued to be challenging, but the College had received £100K growth funding for 2021/2022 from the LCR. The number of apprenticeship starts had increased significantly compared to the national average and was currently 232 (214 at the same point in 2020/2021). This was across all curriculum areas, with high levels of growth in Construction, Engineering and Health & Social Care. Achievement rates (overall and timely) had fallen slightly due to the impact of COVID-19 which had caused some delays in completing end-point assessments.

288 Retention on higher education courses had increased by 2% since 2020/2021 (96%) and overall attendance was 89%. Applications for 2022/2023 were 271, an increase of 29 compared to the same time last year.

289 New curriculum developments for 2022/2023 included 4 new T Levels and Test & Learn courses in green technologies. The Committee was advised of the Department for Education's proposals to de-fund a number of Level 3 programmes currently offered by the further education sector, which could disadvantage some students.

290 The College had received a total of 22 complaints and concerns, only one of which remained open, and 5 compliments.

291 Retention for 16-18 learners from Widening Participation postcodes (WP) had decreased from 91.8 % in 2020/2021 to 91.6% but had increased slightly for the 19+ age group to 92.4%. Levels of retention had increased for students in receipt of Additional Learning Support and their non-ALS peers. For learners with a disability or difficulty retention had improved by 0.4% to 93.7% for 16-19s, with a 3.1% increase for 19+ learners.

292 The College was in the process of creating a specialist offer in Foundation Studies to provide a personalised curriculum experience that met individual aspirations and enabled progression to meaningful adult lives and, where possible, employment. The first stage was an assessment of staff confidence levels which had taken place in early May, which had highlighted a number of areas for improvement.

293 Areas of concern focused on using appropriate language, maximising opportunities to promote EDI and Cultural Wealth within the curriculum and using “lived experiences”.

294 It was felt that governors would also benefit from EDI training, including an element on unconscious bias and this would be built into the programme of events for 2022/2023.

295 In 2021/2022 there had been a total of 981 welfare and concern cases, with 425 safeguarding incidents (an increase of 186 compared to 2020/2021). Governors commended the work of the safeguarding team on the outcome of a recent safeguarding audit by ICCA, which had graded the College’s provision as providing a ‘substantial’ level of assurance and had resulted in no recommendations for further improvement.

296 The Committee had received a report on the curriculum areas that were undergoing the College’s close monitoring process and information on the outcomes of recent whole College Student Feedback Survey (February to April 2022) and noted that there had been a total of 1,684 responses. Satisfaction levels were high for questions on the quality of teaching and assessment (92.9%) and on recommending the College to another person (92.5%). A total of 98.1% of students said they felt safe in the College

297 Governors were advised that approximately 25% of students had indicated that they did not feel suitably prepared for their examinations. Further analysis of this outcome had shown that this was due to their own study habits rather than the College’s support mechanisms and this was substantiated by comments from the student governor.

298 **Resolved** - That the following policies be approved:

- Equality & Diversity
- Student Discipline & Suspension
- Complaints
- HE Bursaries

FINANCE & RESOURCES COMMITTEE

299 Governors received a verbal report from the Finance & Resources Committee chair on the meeting held on 29th June 2022.

300 A comprehensive report on key human resources data had been discussed by the Committee. Absence levels (short and long-term) had increased from 3.16% in 2020/2021 to 5.68%. This was mainly due to a rise in COVID cases and a number of staff being off work

for medical operations that had been postponed during the pandemic. There had been a total of 220 COVID-19 cases this academic year, compared to 70 in 2020/2021.

301 The number of leavers was more in line with 'normal' years, with the majority of individuals resigning. Comparative data was received on the Gender Pay Gap. The College's figures were a mean of 8.6% (lower than most comparator organisations) and a median of 23.2% (higher than all other organisations with the exception of the Wade Deacon Trust).

302 Health & Well-being activities continued throughout the year, with high levels of positivity. The Leadership Development Programme had been a key priority for the year.

303 A report on the College's Environmental & Sustainability framework was received, which addressed all aspects of the AoC's Climate Change Roadmap. The Committee recommended approval of a Revised Environmental Sustainability Policy and Strategy. Governors discussed the possibility of establishing a cross-Borough Group of key partners, to enable organisations to share good practice and provide collective leadership to reduce the overall carbon footprint.

304 The Committee received a detailed report on Health & Safety, including accidents and near misses. There had been a total of 65 accidents, compared to 26 for the same point in 2020/2021, with 31 near misses (21 last year) and no RIDDOR reportable incidents. This was commendable against the background of extensive capital works. Governors asked for pre-COVID accident figures to be used in future reports, to provide a more meaningful comparator of performance.

305 The draft Budget for 2022/2023 and the 3 Year Financial Forecast were scrutinised and recommended for approval by the Board. These indicated a substantial surplus and 'outstanding' financial health throughout, whilst enabling the College to continue to pursue its capital investment strategy. The ESFA Dashboard on financial performance was presented for information and it was noted that all indicators exceeded sector norms.

306 The Committee received a report on progress against current Partnership Provision Contracts and amendments as to which partners the College intended to contract with and updated contract volumes were recommended for 2022/2023. Governors also noted that the updated ESFA regulations on sub-contracting arrangements were being followed and the Supply Chain Fees and Charges Policy was recommended for approval.

307 Updated Financial Regulations and associated policies were recommended for approval.

308 Governors were provided with an update on progress against each of the College's capital projects, including the Health & Well-being Building at the Cronton Campus. The capital investment in the proposed 3 Year Financial Forecast included the completion of the Cronton Health and Wellbeing project (total cost £7.683m, £2,191m spent in 2020/2021), the bids to the T Level Capital Fund and £825K for the summer works programme for 2022. The Committee noted that no further borrowings are proposed to finance these developments, with all projects paid for out of reserves. A governor questioned whether it was the College's intent to pursue the over-cladding project even if the second bid to the ESFA was unsuccessful and was advised that the work could be done in phases to improve affordability.

309 The Management Accounts to April 2022 were received and discussed.

310 Governors were advised that developments had taken place on the proposed Health & Education Hub in Runcorn and recommended that this was approved in principle by the Board. In response to a question about what would happen to students if the College

exercised the 5 year break clause in the lease the Principal advised that any such students would be offered places at the Kingsway Campus instead. Governors were assured that the current financial regulatory framework permitted any programmes in this area to run at a loss initially.

- 311 **Resolved -**
- 1 That £825K expenditure on the Summer Works programme for 2020/2021 be approved
 - 2 That the College's participation in the Education & Health Hub Project as part of the Towns Fund Deal be approved
 - 3 That the revised Financial Regulations and policies on Procurement and Treasury Management be approved
 - 4 That the initial proposals for partnership provision in 2022/2023 and the Supply Chain Fees & Charges Policy be approved,

FINANCIAL FORECAST 2022 TO 2025

312 The Deputy Principal (Finance & Resources) presented the Financial Forecast for 2022 to 2025 and the draft budget for 2022/2023, which had been prepared following recent guidance issued by the Education & Skills Funding Agency. The Financial Forecast was an update of the Plan that had been submitted to the ESFA in January 2022.

313 Governors also received for information the ESFA's Financial Performance Dashboard for the College, which showed a good level of performance against each of the indicators measured by the ESFA, and the College Financial Forecasting Return (CFFR), which would be submitted to the ESFA by 31st July 2022.

314 The outturn for 2021/2022 was predicted to be £1.842 compared to the budget figure of £1.152m agreed in July 2021), which was attributable to positive recruitment for the 16-18, HE and Apprenticeships funding streams and the allocation of growth funding in-year. All funding and learner number targets had been met. The College would retain its financial health grading of 'outstanding' for the current year and throughout the period of the Forecast.

315 The capital programme included the projects that were currently underway, where the grant funding had been agreed, together with the bids to the T Level capital fund (outcome unknown at this point). The minimum cash balance throughout the Plan was £11.8m, which was well within the bank covenants.

316 Governors noted that the changes to the assumptions in the Forecast represented a worst-case scenario based on current thinking and information. Further contingency funding had been included for both pay and non-pay expenditure to mitigate any amendments to funding methodologies, should these arise.

317 In July 2021 the net pension liability for the Local Government Pension Scheme had been valued at £11.6m. The Forecast increased the pension liability by approximately £1m per year and the Deputy Principal advised that the value of assets in the Scheme may be significantly affected by the current economic climate. The situation continued to be monitored closely.

318 The income predictions were more favourable than projected in the January forecast following a positive recruitment period for all streams, particularly 16-18, HE and Apprenticeships. The impact of the lockdowns had not been as severe as anticipated and,

although it remained challenging, the ESFA and LCR Adult Education Budget reconciliation targets had been met for 2021/2022.

319 The pay contingency for 2022/2023 was about 6%, which would enable some amendments to the College's pay-scales in line with the Real Living Wage and secondary school teaching scales. Pay contingencies of 4% were included in future years together with non-pay contingencies of at least £1m annually. This would allow for some mitigation if inflationary pressures continued and delivery remained challenging post-COVID.

320 **Resolved -** That the revised Financial Forecast for 2022 to 2025, which includes the Budget for 2022/2023 be approved and that the CCFR be submitted to the ESFA

GOVERNANCE ISSUES

321 Governors were reminded that at the March Board meeting it had been agreed to operate an informal process for the nomination and appointment of the Chair and two Vice-Chairs. Verbal nominations were sought and received from members of the Board.

322 The Clerk presented a revised schedule of committee memberships, which would continue to be kept under review and any further changes would be submitted for approval at the October Board meeting.

323 The Search & Governance Committee had agreed that a recruitment plan would be formulated to fill the one existing vacancy for an external governor, together with any other imminent vacancies. Nomination and election processes would start in the new term for the 2 student governorships.

324 The Clerk had advised that the regulatory authorities are encouraging boards to have a regular turnover of governors, which required balancing skills, experience and 'corporate memory' with effectiveness and continuing relevance. Governors had discussed the reappointment of 3 members for terms of office between 2 and 4 years and these were recommended for approval by the Board.

325 The Committee had received a report on compliance against the new AoC Code of Good Governance and the Board was asked to approve the adoption of the Code and the resulting action plan.

326 The Clerk had presented a report on the new DfE requirements for governance and boards to be externally assessed once every 3 years.

327 **Resolved -**

- 1 That Neil McGrath be appointed as Chair for the 2022/2023 academic year
- 2 That Michele Bacon and Karen Banks be appointed as Vice-Chairs for the 2022/2023 academic year.
- 3 That the updated schedule of committee memberships for 2022/2023 be approved
- 4 That the following reappointments be approved:

Michele Bacon – 4 years
Wesley Rourke – 1 year

Susan Smith – 2 years

all of which would be effective from 4th July 2022

- 5 That the adoption of the AoC Code of Good Governance be approved, together with the resulting action plan

MINUTES

- 328 **Resolved -** That the minutes of the meetings held on 21st March 2022 be approved as a correct record and signed by the Chair

MATTERS ARISING

329 Governors received a progress report on the actions identified at the previous meeting. It was noted that all of these issues were either in progress, had been completed or were featured on the agenda.

RETIREMENTS

330 The Chair thanked Molly Whittle (Student Governor) and Lesley Venables (Clerk to the Governors) for their contributions and wished them well for the future.

DATES OF FUTURE MEETINGS

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| 26 th September 2022 | Audit Committee |
| 3 rd October 2022 | Search & Governance Committee |
| 10 th October 2022 | Board |

Signed: Office Copy signed by Michele Bacon (Vice Chair)

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Chair of Board of Governors

Date: ...10th October 2022.....