

# The Corporation Board of Accrington and Rossendale College



## Minutes of a Meeting of: The Corporation Board

Date: Thursday 9<sup>th</sup> July 2015

Location: Conference Room, Accrington & Rossendale College

### Confirmed

#### Members Present:

Mr B Stephenson	Chair and Independent Member
Mr S Ireland	Vice Chair and Independent Member
Mrs S Taylor	Principal
Mrs R Andrews	Independent Member
Mrs S Bridgeman	Independent Member
Mr S Cox	Independent Member
Dr A M Coyne	Independent Member
Mrs L Gaskell	Independent Member
Dr M Lee	Independent Member
Mr Z Shah	Independent Member
Dr M Walker	Independent Member
Miss T Landon	Staff Member

#### In Attendance:

Mrs S Collinge	Vice Principal (Business and Innovation)
Miss W Higgin	Vice Principal (Curriculum and Quality)
Mr A Armiger	Clerk to the Corporation
Mrs N Tattersall	Minuting Clerk

#### Apologies were received from:

Mr M Aslam	Independent Member
Mr R Grigorjevs	Independent Member
Mr S Hughes	Independent Member
Mrs L Spencer	Independent Member
Miss C Robinson	Staff Member
Mr S Long	Student Member
Miss E Simpson	Student Member

	Date:
Draft Minutes Prepared by: NT-AA	21-07-15
Draft Minutes approved by the Chair:	24-07-15
Minutes Approved by the Board:	24-09-15

.....*Brian Stephenson*.....  
Chair

The Chair welcomed everyone to the meeting and introduced Dr Martyn Walker who had joined the board as an Independent Member. Members were advised that following his recent secondment from Hyndburn Borough Council to Burnley Council, it was with regret that Mr Rob Grigorjevs has had to resign as an Independent Member. The Chair thanked Mr Grigorjevs on behalf of all the members for his outstanding contribution during his time as a member and that his departure will be seen as loss to the Board. Members wished Mr Grigorjevs well in his new role working on the PREVENT Agenda.

Prior to the commencement of the formal meeting Mrs Taylor was delighted to inform members that the College had received a prestigious award from the Pearson organisation for being the 'Outstanding BTEC School/ College of the Year 2015'. Mrs Taylor said that she, Miss Higgin, Mrs Tootell (Director of Quality and Standards and Mrs Scales (Performing Arts Programme Tutor) had attended a Parliamentary reception at the House of Commons and also a presentation event at the Royal Agricultural Society on Tuesday 7<sup>th</sup> July.

Members watched a video that had been made to be shown at the awards event. Members expressed their congratulations to the college and commended the hard work of the staff which had enabled the award to be made.

## **CB**

### **14/15-4.1 Apologies for Absence**

Apologies for absence were received from Mr R Grigorjevs, Mr M Aslam, Mrs L Spencer, Mr S Hughes, Miss C Robinson, Miss E Simpson and Mr S Long.

### **14/15-4.2 Declarations of Interest**

There were no declarations of interest.

### **14/15-4.3 Minutes of the Meeting held on 24<sup>th</sup> March 2015**

The Minutes from the meeting held on 24<sup>th</sup> March 2015 were approved as a true and, following the correction of one or two minor typing errors, an accurate record of the meeting.

#### **Resolved**

**CB 14/15-4.3** To confirm the minutes of the meeting held on 24<sup>th</sup> March 2015

### **14/15-4.4 Matters arising not otherwise on agenda**

The Clerk to the Corporation advised that there were no actions required from the previous Corporation Board meeting and members noted that there were no other matters arising.

## **Unconfirmed Minutes, Chair updates and Recommendations for Board Approval from the following committees:**

### **14/15-4.5 The Search and Governance Committee held on 29<sup>th</sup> April 2015**

There had been two recommendations from the Search and Governance Committee held on 29<sup>th</sup> April 2015:

- SG 14/15-4.A i) to recommend the appointment of Dr Martyn Walker to the Corporation Board as an independent member for an initial probationary period of one year and that he serves as a member of the Resources Committee during that time; and**
- ii) to recommend the appointment of Mr Steve Hughes to the Corporation Board as an Independent member for an initial probationary**

**period of one year and that he serves as a member of the Audit Committee during that time.**

The recommendations had been dealt with by email vote and both Dr Walker and Mr Hughes had been approved to become Independent Members of the Corporation Board. A report of the process and outcome had been provided for members. It was noted that members had received unconfirmed minutes of the Search and Governance Committee held on 29<sup>th</sup> April 2015 as part of that process.

#### **14/15-4.6 The Audit Committee held on 9<sup>th</sup> June 2015**

Mrs Andrews, as Chair of the Committee, advised that the Committee members had met with Mrs Collinge as Vice Principal (Business & Innovation) and Mrs Musgrave from Baker Tilly on the 5<sup>th</sup> May 2015 to consider the 2015/16 Internal Audit Plan and the areas that should be included. From that meeting members asked that emerging issues and areas of the College's work that have given cause for concern in the past, be included in the draft plan. Mrs Andrews noted that should the Audit Committee feel in year that there is a need to retarget the plan to other areas, this could be undertaken. Mr Stephenson stated that the areas covered within the Internal Audit Plan are those members have discussed over the last 12 months. The Principal asked about the 2 contingency days in the plan and what they would be used for. Mrs Andrews replied that if it was felt that extra days were needed to audit other emerging risk areas those days could be used for this or if more time was required for greater depth within planned audits they could be used there. It was important that there is flexibility within the plan.

Mrs Andrews moved on to the Draft Financial Audit Plan. Mrs Andrews explained that this is prepared by prepared by Grant Thornton, the College's external auditors, and the Audit Committee has the opportunity to review the plan and satisfy itself that it's an acceptable plan. The plan identifies areas of significant risk for the College and members' attention was brought to risks around the College's going concern assessment. Members discussed the situation noting that the FE Sector is currently a high risk area as a whole.

Members noted that the Committee had received two Internal Audit report at its meeting; one on the College's Higher Education process for partnerships, learner support and recording of income; and another on the College's Subcontracting Partnerships. Members were pleased to note that they were able to take substantial assurance that processes in both areas are highly effective and received only one low level recommendation between the two audits.

Mrs Bridgeman highlighted possible changes due to the introduction of a new financial regulation standard FRS102 and how this will affect the College in the future. The Vice Principal (Business and Innovation) explained the standard to members and advised that the College will restate this year's accounts after they've been completed to present to the Audit Committee at its November meeting to show the impact of FRS102 on the College.

Mr Stephenson asked about the decision to include the additional £240k from HEFCE in the 2014/15 accounts. The decision had been made with the auditor's guidance and therefore seemed reasonable to include the HEFCE money in year as an exceptional item. Mrs Collinge will be preparing a letter to the Financial Auditors to this effect.

There were two recommendations from the Audit Committee:

**A - AC 14/15-3.8 ii) that the Internal Audit Plan 2015/16 be recommended to the Corporation Board for approval.**

**B – AC 14/15-3.9 ii) recommend the Draft Financial Audit Plan for the year ended July 31, 2015 to the Corporation Board for approval**

Members

**Resolved**

**CB 14/15 4.6 i) to note the Unconfirmed minutes of the Audit Committee held on 9<sup>th</sup> June 2015;**  
**ii) to approve the Internal Audit Plan 2015/16; and**  
**ii) to approve the Draft Financial Audit Plan for the year ended July 31 2015**

Mr Stephenson thanked the members of the Audit Committee for all of their work during the year

Mrs Collinge, at this point, advised members that Mrs Jarvis had accepted an opportunity to move on to another college in a senior post holder role. She would however ensure the completion of the year end accounts and be returning to the college to present these to the Resources Committee in November 2015.

**14/15-4.7 The Curriculum and Quality Standards Committee held on 16<sup>th</sup> June 2015**

Mr Grigorjevs had chaired the meeting on Mr Ireland's behalf. There had been no recommendations to the Corporation Board from this meeting.

Mr Ireland advised that he had just returned from the AoC North West Principals & Chairs Network held in Manchester that afternoon and one of the briefings given at the event was about the Prevent Agenda. Mr Ireland was pleased to note that everything mentioned during that briefing was included in the minutes from this meeting.

Dr Lee advised that there had been a lengthy discussion at the meeting regarding the College's approach to its enhanced role on the prevent strategy. Dr Lee noted that members of Committee were reassured that the College is taking the necessary steps to prevent grooming and radicalisation, equally as important from an audit viewpoint we are also able to clearly demonstrate this activity.

Members were informed that the College is currently preparing a Prevent Action Plan and it is the intention that in putting together the plan, there will be discussions with local community, college staff and college students to ensure that the document is a constructive and effective document. Mrs Bridgeman advised that she knew someone with valuable experience of spotting instances of radicalisation who may be able to provide experience of working with counter terrorism authorities. Mrs Bridgeman will provide details of the contact to enable them to meet Mrs Higham and Miss Hartley.

Mrs Taylor reported that as part of a forthcoming Staff Development Day college staff will undertake mandatory training on the Prevent Agenda. The Clerk to the Corporation will circulate the link to Governors to enable them to undertake the College of Policing introductory training.

Mrs Bridgeman raised concern that it was felt there isn't enough college provision in Rossendale and asked what more is being done to encourage more learners from Rossendale. The Principal advised that the College had in fact seen an increase in learners

from Rossendale. With regard to the Stubbylee project it was always considered a risk. The curriculum provided had grown for two years and then begun to slow. Mrs Taylor advised members that it was now the college's intention to look at a number of options to utilise the facilities at Stubbylee, but would not necessarily mean a reduction in provision. The College works hard to retain its Rossendale identity including a Rossendale Newsletter that goes out once a year. Mrs Taylor also advised that she had recently met with Mr Stuart Sugarman, the new Chief Executive of Rossendale Borough Council (RBC) (and ex AccRoss Board Member) to discuss the Stubbylee situation and was due to attend the RBC Scrutiny Committee. The Principal will continue to update the C & QS Committee and the Board with progress on the College's resources and curriculum offer in Rossendale.

Following final discussions members

**Resolved**

**CB 14/15 4.7 to note the unconfirmed minutes of the Curriculum and Quality Standards Committee held on 16<sup>th</sup> June**

**14/15-4.8**

**The Resources Committee held on 23<sup>rd</sup> June 2015**

Mr Stephenson, as Chair of the Resources Committee, updated members on the reports given and discussions held at the Resources Committee on 23<sup>rd</sup> June 2015. Mr Stephenson began by reporting that the 2015 College Staff Survey had had a much better participation rate than the previous year and in general trends were improving. He advised that committee members were pleased to read the positive comments from staff and felt the college was certainly moving in right direction with regard to its staff. In relation to questions relating to the Board, the Chair believed that governor engagement had increased over the last 12 months, but felt that there was still work to do to raise the profile of the Board and its members further and asked members to let the Clerk know if there was anything else governors felt they should be doing. It was important however, to bear in mind that governance should be at strategic level rather than operational level and that balance needs to be maintained.

Mr Stephenson moved on to report on recommendations made from the committee

**Capital Expenditure** – Mr Stephenson reported that £300k had been allocated within the 2015-16 Revenue Budget. Committee members had scrutinised the proposed spending which had been allocated through the robust annual bidding process. It was noted that IT continues to be very capital intensive and there was never sufficient funds available to keep as up to date as the college would want to be.

**Sub-Contractors Management Fee Policy** – The Chair reported that there were two providers at the moment, one of which would be reducing. A third contract may be in place in the new academic year. Members were reminded that Board approval was required annually for the Subcontractors Fees Policy and very little had changed since last year.

Mr Stephenson then began the discussion on

**The Revenue Budget for 2015/16** – He began by saying that this budget was the most challenging budget for several years. Most important information is around risks set out within the report (CB 14/15 -4.8C) provided for members. The report sets out context of reducing college income and looking at how to operate as a college with a reduced turnover. Mr Stephenson was clear that the College would be in a deficit position for 2014/15 and 2015/16 but the pro-active work the College had carried out has gained

confidence of its banks and provided an easing of the situation with regards to loan covenants.

It has become clear that the best way forward is to recognise the need to have a deficit position in 2015/16 to allow investment in significant restructuring costs which would then provide for a better future in 2016/17 and beyond. Meetings with the College's banks had assured the College that they are also confident that this is the right way forward. It was expected that the College would be able to begin restoring its cash balances through surpluses from 2016/17 forward.

The 2015/16 budget has an overall target of £250k deficit before FRS17. The College Senior Leadership Team now have an action plan with significant challenges requiring savings to meet the significant reduction in the main funding streams. The College has, in producing the budget, taken a realistic view on increasing income whilst looking in year for opportunities to increase income.

Mr Stephenson advised that the main risks associated with the budget are around the College making savings. He also noted that the budget is reliant on growth targets in apprenticeships, but as yet the Government had not made its position clear in this area Mr Stephenson reiterated that Lloyds Bank are confident that the College is in a strong position.

The Chair went on to say that if the 2015/16 budget is achieved the college will maintain a financial health category of 'Satisfactory', but cautioned that under achievement will result in the college falling into the 'Inadequate' classification. It was also noted that Grant Thornton will give an opinion on the College's position as a 'Going Concern' when they carry out the external financial audit for 2015/16. Members were informed that the College's Financial Health will be rated differently by the Skills Funding Agency in future. Mrs Jarvis had put all figures into the Skills Funding Agency template that calculates key ratios and has confirmed that the college had received 'Satisfactory' classification and it was reported that the banks are comfortable with this.

Members asked about any leeway in non-teaching costs. Mrs Collinge advised that non-staffing costs are continuously reviewed and that the College would also need to look at the supplementary packages offered to learners. The College is determined to protect the teaching resource so focus will need to be on non-teaching staff areas. However, there is a lot of demand on non-teaching staff in getting data right in order to meet Skills Funding Agency and Education Funding Agency rules.

***Mr Cox joined the meeting at 6.00pm***

Mr Stephenson advised that he has spent time with Mrs Collinge and Mrs Jarvis and the Resources Committee also spent a lot of time scrutinising the proposed budget. Members may remember that discussions were held some years ago about reducing to a smaller sized college, ensuring that it maintains its independence and ability to determine its own destiny. Mr Stephenson expressed the view that in reality this is where we are at now. Mrs Taylor concurred saying the College would be smaller in the foreseeable future and may not look like it does now in terms of its funding streams and curriculum.

Mr Stephenson turned to the Cashflow position. There would be, as usual, low points in March and April over next two years. The £1m loan would not need to be brought into the college account until November 2015. Mrs Collinge advised that during March and April there will be increased management of payments and the College also has an

overdraft facility in place to support the cashflow requirements. In reality, the cash in hand situation usually is ahead of the predicted figures.

Mrs Gaskell asked in terms of the balance sheet, is there anything that would give the external financial auditors cause to question whether the college was a going concern or will they look further ahead into 2016/17. Mrs Andrews noted that it would be hoped that they would view the situation in context with cashflow forecasts. The Chair stated that this was something to keep an eye on and, as normal, review throughout the year.

The Chair then advised that the budget had been scrutinised fully; line by line in some cases. Professional advisors have been supportive. There remained in the current political climate uncertainty as to funding of curriculum and of course there would always be the potential for something unexpected to contend with. The upside of the situation was the college would continue to seek and identify other areas and sources of income.

Mrs Gaskell asked about the delay on news of apprenticeship funding Mrs Taylor noted that the College is still unsure when it will receive information and could not be sure whether it will be before budget finalised. The Principal said that the two Government departments responsible will have to make savings after the Government's Budget and would then have to look at affordability.

Mr Stephenson concluded by noting that all major funding lines are volatile which does make budget forecasting very difficult. Mrs Bridgeman stated that the Audit Committee have highlighted forecasting as a major risk area for audit review in 2015/16.

There were three recommendations to the Corporation Board from the Resources Committee:

**A - RC 14/15-3.6 ii) to recommend the proposed 2015/16 expenditure as part of the 2015/16 Revenue Budget to the Corporation Board for approval**

**B – RC 14/15-3.7 ii) recommend the Subcontractors Management Fee Policy 2015 to the Corporation Board for approval**

**C – RC 14/15-3.8 ii) that a final draft Revenue Budget for 2015/16 will be presented to the Corporation Board for consideration and approval**

Following final discussions members

**Resolved**

- CB14/15-4.8**
- i) to note the unconfirmed minutes of the Resources Committee held on 23<sup>rd</sup> June 2015;**
  - ii) to approve the 2015/16 capital expenditure as part of the 2015/16 Revenue Budget;**
  - iii) to approve the Subcontractors Management Fee Policy 2015; and**
  - iv) to approve the final draft Revenue Budget for 2015/16**

## Items for Information, Discussion, Consideration and Board Approval

### 14/15-4.9 **Current Performance against Contracts and Targets**

The Vice Principal (Business & Innovation) presented members with an update on information available as at June 2015. The targets shown in the report for 2015/16 are those used in the Revenue Budget for 2015/16.

Mrs Collinge reported that:

**With regard to 16-18 Learner Responsive** – there are, for 2014/15, reduced learner numbers against target, but funding earned per learner should help maintain the full contract. Unfortunately several sets of funding protection are still working their way through the system and by 2016/17 the College will have no protection funding left.

**With regard to 16-18 Employer Responses Apprentices** – it is hoped that that the College will increase its final income for 2014/15. The college has experienced a higher demand for this type of learner and it is hoped that the current forecast for 2015/16 will be able to be increased, but the College was still awaiting news on Government spending following the recent budget. An increase in this contract for 2015/16 would also depend on SFA allocations.

**With regard to Adult Single Budget SB** – This has proved a complicated area in 2014/15. The college received an additional allocation this year, but has struggled to earn the funding due to lack of time for planning of provision. Also, some of the learners available for ASB funding also qualify for ESF funding so decisions need to be made which funding stream learners are placed in. Members were aware that for 2015/16 the Government will protect funding for maths and English at Level 2 and below and possible increases in 16-18 Apprentices and this will lead to at least a 24% reduction in ASB funding for 2015/16. It is anticipated that the ESIF funding stream will be able to be used to make up the gap in funding, but this will not be known until January 2016.

**Adult Apprentices** – This is currently behind budget profile, but expected to improve and should enable increased income in 2015/16.

**24+ Advanced Learner Loans** – This income stream has been successful. The College is 2<sup>nd</sup> in the country for this type of funding. The use of subcontracting has allowed the college to achieve a high level of funding. The SFA have increased the funding available for 2015/16, but it may be very difficult to reach the target set.

**HE** – Fee income target has not been achieved for 2014/15 due to retention issues except for the successful Teacher Education programme in conjunction with University of Huddersfield. It is assumed that there will be a similar level of funding for 2015/16.

**HE Franchise** – The same number of learners are being planned for 2015/16. Dr Walker noted that there is a pot of numbers in the consortium which are ebbing and flowing. If the College believes it can recruit to Teacher Training there are expected to be numbers there to do support this.

Following discussion of issues raised members

**Resolved**

**CB 14/15-4.9 to note the report**



#### **14/15-4.10 The Three Year Financial Plan 2015/18**

The Vice Principal Business & Innovation presented the Three Year Financial Plan 2015/18. This item had also been discussed within item CB 14/15/4.8 regarding the Revenue Budget 2015/16. Mrs Collinge presented within the report a list of assumptions that have been made whilst completing the three year plan which members discussed. The Three Year Financial Plan is required to be submitted to the Skills Funding Agency by 31<sup>st</sup> July 2015. Members

#### **Resolved**

**CB 14/15- 4.10 to approve the Three Year Financial Plan 2015/18 and its submission to the SFA**

#### **14/15-4.11 Amendments to the Lloyds Bank Facilities Letter**

The Vice Principal Business & Innovation advised that an amendment letter had been received from Lloyds Bank, and stated that the amendments within the letter did not change the context of the loan agreement and most related to changes or insertions to wording of the agreement. Mrs Collinge noted that following changes to the loan facility and covenants there may be an additional amendment letter to sign off and this was expected soon. Following discussion members authorised Mr Stephenson, following a review of the amendments by Mrs Collinge and Mr Stephenson, to sign both amendment letters on behalf of the Corporation Board.

#### **Resolved**

**CB 14/15-4.11 i) that the loan facility in an original principal sum of up to £1,000,000 arranged with Lloyds Bank plc (the 'Bank') in a letter dated 6<sup>th</sup> January 2015 as subsequently amended (the 'Facility Letter') be further amended in the manner proposed in letters form the Bank dated 26<sup>th</sup> March and 7<sup>th</sup> July 2015 (the 'Amendment Letters') the terms of which were considered, as approved, on behalf of the Corporation Board by Mr Stephenson and Mrs Collinge;**

**ii) that Mr Brian Stephenson, Chair of the Corporation Board, be authorised to make the necessary arrangements with the bank and to sign on behalf of the College the Amendment Letter of the 26<sup>th</sup> March; and**

**iii) that Mr Brian Stephenson, Chair of the Corporation Board be authorised, following a review by Mr Stephenson and Mrs Collinge, to make the necessary arrangements with the bank and to sign on behalf of the College the subsequent Amendment Letter dated 7<sup>th</sup> July 2015**

#### **14/15-4.12 Board Curriculum and Quality Update**

The Vice Principal (Curriculum and Quality) presented her report and began by updating members on the new Common Inspection Framework (CIF) which would come into effect from September 2015. Members have access to the new Inspection Handbook through the Governor Resource portal

Miss Higgin identified the new Key Judgements which inspectors will use to establish overall effectiveness and what emphasis there would be expected to be in each of the judgements of

- Effectiveness of Leadership and Management
- Quality of Teaching, Learning and Assessment

- Personal development, Behaviour and Welfare
- Outcomes for learners

She also added that Safeguarding would be a 'Golden Thread' through all judgements including testing of the College's response to the Prevent agenda. Equality and Diversity also permeates all four judgements.

Miss Higgin informed members that inspections will now look at Types of Provision rather than subject Sector Subject Areas as in the past. This will include

- 16 to 19 study programmes
- Apprenticeships
- Adult learning programmes
- Provision for learners with high needs (above £6,000 funding)
- Traineeships
- Full time provision for 14 to 16 year olds

Miss Higgin moved on to the Inspection methodology informing members that providers rated as 'Good' will have short 2 day inspections to validate a colleges self-assessment. Two key judgements will be made:

- Is the provider continuing to be good?
- Is safeguarding effective?

If further evidence is required of improvement or decline a full inspection may take place.

Miss Higgin advised that Colleges Self-Assessing as Outstanding will be exempt from routine inspections unless Ofsted feel otherwise due to perceived 'slippage'. Miss Higgin informed members that the new CIF aligns well with the College's new Curriculum management structure, College Strategic Aims and its current Quality Assurance framework.

Miss Higgin moved on to the outcomes from the June 2015 Curriculum Self-Assessment Review (SAR) saying that the College had enhanced the rigour of the SAR process, introduced new progress grades in March and June, which included English and maths. This had produced a result that 52% of curriculum teams had achieved good or better against a 90% target for good or better. Miss Higgin advised that many of the teams were borderline good and required some improvement, noting that there was still room to get 12 of 15 teams up to good by the November SAR. A limiting grade on work experience was the sticking point for some teams. Other issues noted were:

- Apprenticeship Success Rates
- Attendance in maths and English
- Construction – poor performance in terms of retention
- L3 Career and work related learning
- Recruitment compared to targets

Members were advised that using the new QSR methodology, which the College is now starting to model has started to produce better results for some teams.

Miss Higgin concluded her report by informing members about College progress against the Quality Improvement Plan (QIP). Members were advised that although the College graded itself as outstanding it recognises that there are always areas to improve. The QIP supports this action. Members had received copies of the plan prior to the meeting. Miss Higgin informed members that the final outcomes won't be available until November, but the overview is that good progress is being made against all areas of required improvement. It was noted that some of the areas for improvement were expected to

rollover into next year's plan such as attendance, success rates in English and maths, wider employability skills for learners and value added and distanced travelled for learners. Members noted that apprenticeship provision has its own improvement plan.

Miss Higgin identified key action that were being taken in relation to the QIP Following discussion of the issues identified in the report and the actions being taken members

#### **Resolved**

**CB 14/15-4.12 i) to note the report**

**ii) the Clerk will send congratulations card on behalf of the Board to those teams achieving an Outstanding progress grade in the June 2015 Curriculum SAR**

#### **14/15-4.13 Strategic Update**

The Principal presented her Strategic Update and provided an overview to members including:

**Ofsted** – Mrs Taylor reported that statistics released relating to this year's national inspections has seen a decline in the number of Colleges across the sector attaining Good or better (66% to 37%). Only one college had received a Grade 1 in the year up to March 2015. She advised that it was highly likely that the College would be inspected in 2015/16.

In terms of Lancashire:

**ESIF** – Mrs Taylor informed members that the Lancashire Colleges Group and the Lancashire Work Based Learning Forum would be jointly leading the bidding for Lancashire. There was an assumption that the College will receive funding, but bidding will not commence until October/ November 2015.

**Lanway/Netwise joint Venture Developments** – members were advised that the feasibility study had now finished and members will be contacted during August to set up a small working group to scrutinise the venture.

**Heartwood Centre** - Mrs Taylor advised that the Centre was due to be handed over to the College on 14<sup>th</sup> August. It is expected that the launch date would be on 24<sup>th</sup> September, which is the night of the year's 1<sup>st</sup> Board Meeting. Members will be invited to attend the launch event.

Mrs Taylor moved on to the High Level Key Performance Indicators noting that there was nothing to report which hadn't already been dealt with in other items at this evening's meeting. The document will be completed for the Board's meeting in December. Its purpose will be reviewed at the end of its first year of use at that meeting.

The Principal then presented a report on 'Reshaping our College for the Future' outlining the financial challenges the College faces into the future and advised the Government wants to see changes to the structure of the sector and consolidation of colleges. Colleges may also be forced to specialise. Mrs Taylor was sure that members were aware that the College has found this past year challenging which has included failure, despite significant effort across College, to achieve very ambitious targets. The College recognises that there is an overcrowded market and cohorts are declining.

The College has already carried out a realignment of curriculum but this is not yet finished. The 2015/16 budget is based on the fact that the College will become smaller. Mrs Taylor

asked if the College can grow, or does it need to reduce to meet demand or possibly look at collaborations. Given Government priorities for funding and collaborative work the College would now seriously look at its way forward.

Mrs Gaskell asked if decisions taken now affect the ability of the college to meet the rise in cohorts beyond 2020. Would the College grow too small to be able to grow larger in the future? It wasn't thought that this would be the case, but five years was a long time in education and so many things could change in that time.

Mr Ireland was concerned that there was not much interest in FE at Government Levels. Members agreed. Mrs Taylor advised members that the MP for Hyndburn, Graham Jones, had done as much as possible to state the case for FE, including questions on the College's behalf to the ministers responsible.

Dr Coyne noted that it may be in the interest of the College to remain smaller for the foreseeable future and maintain its independence. Members were of the opinion that the FE sector as a whole does not shout loud enough about its purpose and achievements.

Following discussions members agreed with the Chair that a working group of Committee Chairs and the Principalship should be set up over the next few weeks to discuss and produce a more precise plan which would be shared with members at the Board meeting in September. Following final discussions concerning Mrs Taylors report members

#### **Resolved**

**CB 14/15-4.13 i) to note the Principals Reports, the issues stated and actions being taken**

**ii) the Clerk will arrange a meeting of the Chairs of Committees and the Principalship to discuss the way forward for the College and recommendation will be presented at the September meeting of the Corporation Board**

*Dr Lee left the meeting at 7.50pm*

#### **Governance**

##### **14/15-4.14 Board Self-Assessment Report**

The Clerk to the Corporation presented the Board Self-Assessment Report. He reported that from the results of the process members had graded the work of the Board as 'Good' overall. He noted that many of the responses (75%) were grade one 'Outstanding'. The Search and Governance Committee will concentrate on those areas rated as Good to see how they can be raised to Outstanding. The report also used benchmarking across five other Colleges in Lancashire. The Clerk thanked members for taking the time to participate in the process. The Chair noted that the 93% participation rate was higher than the College Staff survey as expected. After discussion members

#### **Resolved**

**CB 14/15-4.14 to note the report and the issues raised from the process**

##### **14/15-4.15 Schedule for Board and Committee Meetings 2015/16**

The Clerk to the Corporation presented the schedule of Board and Committee meetings for 2015/16. The main change is the movement of full Board meetings to Thursday evenings rather than Tuesday. Dr Coyne asked that the May Strategic Event be moved back to Tuesday rather than Thursday. Members agreed that this could be done.

Members were asked to note that the Heartwood Centre Opening Event was expected to take place on 24<sup>th</sup> September 2015, which is the date for the next Board Meeting. It was agreed to move the start time of the Board meeting to 4pm in order that members could attend the opening event at 7.00pm.

**14/15-4.16 Declaration of any Confidential Issues**

There were no items deemed to be confidential.

The Chair thanked members for the work they had undertaken on behalf of the Board and the College in 2014/15 and looked forward to seeing and working with them again after the summer break.

**The meeting closed at 8pm**