

The Corporation Board of Accrington and Rossendale College



Minutes of a Meeting of: The Corporation Board

Date: Thursday 10th December 2015

**Location: The Conference Room, The Heartwood Centre,
Accrington & Rossendale College**

Part One

Confirmed

Members Present:

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

In Attendance:

Mrs S Collinge	Vice Principal (Business and Innovation)
Miss W Higgin	Vice Principal (Curriculum and Quality)
Mrs J Love	Grant Thornton (External Financial Auditors)
Mr A Armiger	Clerk to the Corporation

Apologies were received from:

Mrs L Gaskell	Independent Member
Mr S Cox	Independent Member
Mr S Hughes	Independent Member

Draft Minutes Prepared by: AA	Date: 12-12-15
Draft Minutes approved by the Chair: BS	12-12-15
Minutes Approved by the Board:	31-03-15

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

The Chair welcomed everyone to the meeting and introduced Mrs Love from the College's External Financial Auditors, Grant Thornton who was attending the meeting for Item 15/16-2.5

Part One

CB

- **15/16-2.1** **Apologies for Absence**
Apologies for absence were received from Mrs L Gaskell, Mr S Cox and Mr S Hughes

- **15/16-2.2** **Declarations of Interest**
There were no Declarations of Interest

- **15/16-2.3** **Minutes of the Meeting held on 24th September 2015**
The Minutes from the meeting held on 24th September 2015 were, following the adjustment of one sentence, approved as a true and an accurate record of the meeting.

- Resolved** **CB 15/16-2.3: to confirm the minutes of the meeting held on 24th September 2015 as a true and an accurate record of the meeting.**

- **15/16-2.4** **Matters arising not otherwise on agenda**
The Clerk to the Corporation Board led the members through the actions required from the last meeting noting that all actions required had been taken. Members agreed and

- Resolved** **CB 15/16 -2.4: to note the report and note that all required actions had been taken**

- **15/16-2.5** **Audited Financial Statements for the year ending 31st July 2015**
The Chair began this item by reminding members that approval of this annual item is normally straight forward, following scrutiny of the audited accounts themselves at both the Audit and the Resource Committees along with the Financial Audit report presented to the Audit Committee. However this year both committees were unable to fully recommend to the Board for approval the 'signing off' of the statements by the Chair and the Principal (as the College Accounting Officer) due to shortfalls and uncertainties recognised within the accounts.

Mr Stephenson went on to advise members that the accounts were required to be signed off before 31st December and wanted members to discuss and agree the action to be taken to enable the accounts to be signed in a timely manner. Mr Stephenson then advised that he felt that the document itself was a true and fair representation of the Colleges Financial situation to 31st July 2015 and thanked those who had written the statements. Mrs Taylor replied that she and her team had tried to keep the document concise and accurate whilst maintaining the honesty and transparency.

Mr Stephenson moved on to ask Mrs Andrews to confirm the Audit Committee's opinions on the matter with reference to the Committee's Annual report. Mrs Andrews informed members that with regard to internal audit the College's Internal Auditors RSM UK had, following their work on 4 internal audit reports during the year all graded 'Substantial', concluded that 'In their opinion Accrington & Rossendale College has adequate and effective governance, risk management and control processes to manage the achievement of its objectives.'

Moving on to the work of the external Financial Auditors Grant Thornton, Mrs Andrews confirmed that only one control recommendation had been made during the audit and that a Limited assurance opinion would be given with regard to the Regularity Audit. It was, however, with regard to the matter of the College as a 'Going Concern' that an issue

was raised. Although it was expected that an unqualified opinion on the statements would be issued the statements may need to include an Emphasis of Matter paragraph.

Mr Stephenson advised members that there was no problem with the accuracy of the audited accounts but the larger than forecasted deficiency would require clear disclosures within the statements regarding the College's financial situation as at 31st July 2015 and beyond into 2015-16. Members had been supplied with the insertions that may have to be made into the accounts. Members were reminded of their duty as governors towards ensuring the solvency of the College.

Mrs Love of Grant Thornton explained that Financial Statements although principally concerned with the year ending 31st July 2015 had also to look forward 12 months from date of being signed off. It was noted that the College had not been in this position before regarding confirming 'Going Concern'. To make this assessment Mrs Love advised members that the auditors had looked at the projected future cash flows, taken into account stakeholders e.g. Lloyds and Barclays Banks requirements and the position with regard to possible Exceptional Financial Support and future allocations from funding bodies such as the SFA.

It was noted that the College was to meet with the SFA on Monday 14th December to discuss the current financial position of the college following the agency issuing a Notice of Concern letter. It was hoped that at this meeting the position with regard to future funding allocations and possible Exceptional Financial Support would be made clear and assist in clarifying the Going Concern issue.

Mrs Love moved on to advise that although the College was not at the 'highest' level of concern it still had concern expressed within the statements and the auditors have to concur with that level of concern. Those statements would then be able to be read by external bodies and agencies dealing with the College and allow them to have a view on continued or future dealings with the College. Mrs Love explained that the Emphasis of Matter does not alter the accounts but does draw the reader's attention to the issues concerned.

Mrs Love advised that it would be best if the final wording of the disclosures in the Financial Statements be considered again following the meeting with the SFA on the 14th December at which point the future financial standing of the College will hopefully be clearer. The statements could then be reviewed again by Grant Thornton and considered for signed off.

Members asked what may happen if the accounts are not able to be signed off by 31st December. Mrs Love advised that there would be no financial penalty. Often the FE Commissioners would be advised, but they had already visited the College this week and the College was already meeting with the SFA who are aware of the situation.

Mr Stephenson thanked Mrs Love for her excellent explanation of the situation and asked all members, in particular those not having a financial background, if the issue was clear. All members agreed it was. Mr Stephenson advised that the forthcoming meeting with the SFA was key. The Banks had already indicated that they would support the College as much as they were practicably able to do so, but it was important to consider the Barclays covenants which could be triggered within a 12 month period. It was important that following the SFA meeting, the auditors as well as the Chair and the Principal, as accounting officer, were comfortable with the final statements for signing off.

Dr Coyne asked if the statements would be able to be signed off before the 31st December, given that the meeting with the SFA was on the 14th. Mr Stephenson said that the position would be considered by himself, Mrs Andrews and the Principal following the meeting and a decision made with regard to the statements. It was of utmost importance that they were assured, on behalf of the Board, of the stakeholders' commitment to the college and as a result the solvency of the College.

Mrs Love advised that Grant Thornton would be able to consider the statements within the week so that they could be signed and sent to the SFA within the time requirement

Mr Stephenson asked that, to ensure the process could be carried out in a timely manner, members agree that following the College's meeting with the SFA he, Mrs Andrews and the Principal be approved to have the power delegated to them to consider and finalise the statements to the satisfaction of the Financial Auditors. Mr Stephenson advised that members would be informed as soon as possible of the result of the meeting with the SFA and any resultant changes to the status of the financial statements

Mr Stephenson also asked that once the Auditors had concurred with the finalised financial statements that he and the Principal as accounting officer be authorised to sign the Audited Financial Statements for the year ending 31st July 2015. Members agreed. Following final discussion of the matter members

- Resolved** **CB 15/16-2.5: i) that Mr Stephenson, Mrs Andrews and Mrs Taylor be authorised, following and dependent on the outcome of a meeting with the SFA on 14th December 2015, to amend and finalise the Financial Statements for the year ending 31st July 2015**
ii) that members will be informed of the outcome of that meeting
ii) that the finalised statements be sent to the financial auditors Grant Thornton for review
iii) that should the auditors concur with the finalised statements Mr Stephenson as Chair of the Corporation Board and Mrs Taylor as the College's Accounting Officer be approved to sign the Financial Statements for the year ending 31st July 2015 and the statements sent to the SFA.

Mr Stephenson thanked Mrs Love for attending the meeting and her providing the clear explanation of the situation with regards Going Concern in relation to the Financial Statements. Mrs Love then left the meeting.

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

- **15/16-2.6 The Audit Committee held on 10th November 2015**
The Chair of the Committee presented the minutes of the committee's meeting on the 10th November noting three recommendations:
AC15/16-1.5A;
AC15/16-1.5C; and
AC 15/16- 1.14
had been dealt with in the previous item

Mrs Andrews moved on to ask that members approve the recommendation concerning the Risk Management Plan 2015-16. Members discussed the document and its purpose. It was noted that The FE Commissioner's advisors had been impressed with the document and its presentation of the College's perceived risks. Mrs Collinge reminded members

that the purpose of the document was to identify risks against the College's Strategic Aims and Objectives and state what actions would be taken to minimise these risks. The document would be updated regularly and the document is received and monitored by the Audit Committee.

Mr Stephenson asked if those having specific responsibility for the actions to be taken could be identified, by job title, within the text so that there could be accountability within the document allowing the Audit Committee to call upon managers to attend meetings for explanation if required.

Members asked how the risks were identified. Mrs Taylor advised that she and the Principalship team were responsible for deciding on the risks and level of risks. Mr Stephenson asked that the risks be reviewed in light of the FE Commissioner's advisors recent visit and also following the SFA meeting on 14th December and be presented at the next Audit Committee meeting.

Dr Coyne asked if a list of Acronyms could be produced for members. The Clerk reminded members a list of acronyms was available on the governor portal, but he would produce hard copies for members to use at meetings.

Mr Shah said that he felt the document was a very uncomfortable read in terms of the amount of high level risks facing the college. Members agreed but understood that the FE sector itself faced many risks and the college was no different. Looking at specific risks Mr Stephenson noted that he felt 4.4 'Ensure effective communication across the college and high levels of staff engagement' should be rated as a higher than 2:2 and therefore a high level risk. His reasoning was that many of the problems the College was currently experiencing could be attributed to a lack of communication at, and between, various levels within the College. Following further discussion concerning the risk plan members

- Resolved** **CB 15/16-2.6:** i) to note the minutes of the Audit committee held on 10th November 2015
ii) to approve the Risk Management Plan for 2015 with the proviso that the Principalship will review the stated risks and levels of risk and update if required including confirmation of risk owners.
iii) the plan will be presented to the Audit Committee at its next meeting in March 2016.
iv) the Clerk will provide members with hard copies of current known acronyms

6.15pm Mrs Lynch, with apologies, left the meeting

- **15/16-2.7** **The Search and Governance Committee held on 17th November 2015**
Mr Ireland who was acting Chair at the meeting presented the unconfirmed minutes noting that there were two recommendations to the Board:

AC 15/16-2.5 A: to recommend to the Corporation Board that Mrs Rosemarie Andrews be approved to serve as an Independent Member for a further term of four years until 26th January 2020 and that she serves as Chair of the Audit Committee during that time
AC 15/16-2.5 B: to recommend to the Corporation Board that Dr Mike Lee be approved to serve a further term of office as a member of the Remuneration Committee until 15th October 2016

With regards to the recommendation regarding Mrs Andrews all members agreed that her work as an Independent Member and particularly as Chair of the Audit Committee was exemplary and there was no hesitation in approving the recommendation.

With regards to the recommendation regarding Dr Lee, again, members felt that his contribution to the Board was outstanding and that they would wish to see him continue as a member for the remainder of his term of office and

- Resolved CB 15/16-2.7 A: i) to approve the recommendation that Mrs Rosemarie Andrews be approved to serve as an Independent Member for a further term of four years until 26th January 2020 and that she serves as Chair of the Audit Committee during that time**
ii) to approve the recommendation that Dr Mike Lee be approved to serve a further term of office as a member of the Remuneration Committee until 15th October 2016

Discussion turned to searching for new members. Mr Stephenson advised members that he had been informed by the Clerk that a new Student member had come forward from the HE Student Council and the Clerk would be carrying out her induction in the new year. Mr Stephenson also informed members that he and Mrs Collinge were currently following up on possible new members with Corporate Law experience. If possible new members were found the Search and Governance Committee would be convened to consider their applications.

It was also noted that the FE Commissioner' advisors had suggested that the Board should be looking for a member with recent high level experience of the FE Sector to support and provide rigour of challenge for the Board's work. Mrs Taylor confirmed her agreement with this suggestion and Mr Stephenson advised that the Search and Governance Committee would certainly take this suggestion into consideration in its search for new members.

After final discussion members

- Resolved CB15/16-2.7 B: i) to note the unconfirmed minutes of the Search and Governance Committee held on 17th November 2015.**
ii) to continue the Search for two new Independent Members and a student member from the FE section of the College

- **15/16-2.8 The Curriculum and Quality Standards Committee meeting held on 17th November 2015**
The Chair of the Committee, Mr Ireland, began by saying that the meeting had been tough but honest as several of the items presented gave cause for concern but had also given an indication that the work was being done in College to ensure that there would be no repetition of the results achieved in 2014-15 in 2015-16. Mr Ireland asked Miss Higgin to comment. Miss Higgin confirmed Mr Ireland's opinion saying that the College accepted that it had a poor year with regard to its overall success rates and that this was made worse against a backdrop of the College's financial position, but a whole range of work has been carried out to ensure that the results for the college are improving for 2015-16.

Miss Higgin went on to advise members that the College now feels that it would currently be graded as Good, although the College SAR for 2014-15 due to be uploaded to the SFA portal before 31st December will not yet reflect that position. This will be reviewed once national results are published.

Mr Ireland advised members that Miss Higgin has now taken the full lead on the College's English and maths Strategy and heads the relevant steering group, this being key as it was identified that the College's English and maths results had contributed to the depression of the overall success rates. Miss Higgin informed members that the most recent grades for observation of teaching of English and maths shows that all staff teaching in this area are 100% good or better and attendance at these classes is improving following changes made to delivery methodology.

Members discussed other items from the minutes of the meeting before moving on to the recommendation to the Board from the committee, those being:

C&QS 15/16-1.9A: to recommend the updated Safeguarding and Protecting Policy and Procedures document to the Corporation Board for approval.

Members considered the document noting that its contents had been scrutinised at the Committee. Mr Stephenson also noted Mrs Spencer's contribution to the College safeguarding agenda and her attendance at the regular Safeguarding and Protecting meetings. Mr Stephenson also commented that the role and impact of the Safeguarding and Protecting team within the College was vital as it was apparent that many students would not be completing and achieving without the intervention of the team. Members noted one or two minor changes to wording errors that need correction, but then

Resolved CB15/16-2.8A: to approve the updated College Safeguarding and Protecting Policy and Procedures

C&QS 15/16-1.9B: that a copy of the Ofsted guidance be supplied to all current members of the Corporation board for their information and action if required.

All members had received copies of the Ofsted guidance document 'Inspecting safeguarding in early years, education and skills settings

C&QS 15/16-1.9C: that all members of the Corporation board should, if they haven't already done so, undertake the ETF on line Prevent Duty training

The Clerk noted that several of the members had already undertaken the College of Policing module on the Channel and Prevent agendas. Members were asked that if they hadn't yet done so that they undertake the Education and Training Foundation's (ETF) module which has been aimed specifically at Governors. Mr Armiger advised that he would email the link to all members for information and specifically for members who will need to undertake the module. Mr Stephenson asked that all members who need to do so complete the training by 31st January and inform the Clerk when they have completed.

Resolved CB 15/16-2.8B: That all Board members requiring to do so will undertake and complete the ETF Prevent training module by 31st January 2016

• 15/16-2.9 The Resources Committee meeting held on 24th November 2015

The Chair of the Committee Mr Stephenson gave an overview of the meeting advising that positive reports had been received regarding HR, Health and Safety and Property updates.

With regard to HR matters the committee membership had made a recommendation as follows

RC 15/16-1.5A: to recommend the Conflict of Interest Policy to the Corporation Board for approval.

Mr Stephenson presented the document advising that it covered Corporation Board members as well as staff, volunteers, student teachers, subcontractors, staff otherwise engaged by the College and possibly even students. It was noted that Board members along with members of the Principalship and the SLT declare any perceived conflicts of interest annually to the Clerk.

Mr Stephenson informed members that he had suggested to the Director of People and Performance that staff are made aware of the policy and that the related documentation be considered as part of staff appraisal process to ensure that policy is adequately enacted. Members considered this to be good practice. Following final discussion members

Resolved CB 15/16-2.9C: to approve the College Conflict of Interest Policy

Moving on Mr Stephenson noted that the recommendation regarding the Financial Statements for 2014-15, **RC 15/16-1.9**, had been dealt with earlier in the meeting at CB 15/16-2.5 and that recommendation regarding curriculum contribution rates for 2014-15, **RC 15/16-2.10** would be dealt with as the next item at this meeting.

Mr Stephenson turned to the Resources Committee's recommendation:

RC 15/16-1.11: ii) that members be contacted to see if anyone of them could assist in providing advice regarding improving the College's Commercial income capability.

this recommendation had been made following discussion at the committee meeting regarding the review of the financial position of the college to 31st October 2015 and members concern regarding the below target levels of Commercial income generated by the College.

Discussion followed reflecting on the ability of the Colleges' staff to be able to 'sell' its facilities and generate leads for additional income in this area. Mr Stephenson asked that Mrs Gaskell be contacted to ascertain if there was anyone involved with the Chamber of Commerce who could be contacted to engage with the College on this Matter. Members

Resolved CB 15/16-2.9D: That, noting Mrs Gaskell's apologies for the meeting, the Clerk is to contact her to see she is able to suggest anyone who may be able to provide an independent commercial viewpoint or additional guidance for the College's commercial activities.

Finally Mr Stephenson presented the recommendations from the committee referring to FE and HE tuition Fees for 2016-17 dealing firstly with FE Tuition Fees:

RC 15/16-1.13: ii) to recommend the FE Tuition Fee Strategy for 2016-17 to the Corporation Board for approval;

Mr Stephenson advised that the matrix for FE funding remained complex and would need updating again as further funding changes are brought into force. After discussion members

Resolved CB15/16-2.9E: to approve the College FE Tuition Fee Strategy for 2016-17

Members moved on to the recommendation regarding HE Tuition Fees:

RC 15/16-1.14: ii) to recommend the HE Tuition Fee Strategy for 2016-17 to the Corporation Board for approval

Mr Stephenson advised that the only major change to the Fee Strategy was that new students will no longer be able to access the 'new entrant' pack which had been worth approximately £500 in previous years. Members discussed this asking if students had been asked if this was a prime concern in deciding whether to attend an HE programme. Mrs Collinge replied that initially the scheme had been introduced in the face of similar schemes at other local institutions, but the College could now no longer afford the scheme given its current financial position. Following final discussion members

Resolved CB15/16-2.9F: to approve the College HE Tuition Fee Strategy for 2016-17

► **Items for Information, Discussion, Consideration and Board Approval**

• **15/16-2.10 Contribution and Quality Review 2014-15**

The Chair presented his report and began by providing members with the background as to why this item was being brought to the Board. Mr Stephenson reported that the Curriculum Contributions 2014-15 report presented at the Resources Committee on the 24th November (also presented at this meeting), whilst providing a useful set of data, viewed the areas only from a financial perspective. It was recognised that relevant quality data which may have a bearing on the contribution rates was discussed at the Curriculum and Quality Standards Committee and the two sources of information had not as yet been put into one report.

Mr Stephenson had decided, following discussion with Mr Ireland, that a 'joint' report could be produced and questions resulting from the report posed to provide an overview of the connections between curriculum quality and curriculum contribution rates.

Members were provided with the initial questions posed and responses given by Miss Higgin and the Director of Quality Standards, Mrs Tootell following Mr Stephenson's work on producing 4 spreadsheets detailing:

- 2013-14 / 2014-15 Contribution Rates by £;
- 2013-14 / 2014-15 Contribution Rates by % Contribution;
- 2013-14 / 2014-15 Contribution Rates Contribution Change; and
- 2013-14 / 2014-15 Contribution Rates by SAR Grade

Members recognised the connection between the two areas of Contribution and Quality, and the distinct indicator of class size against contribution, and suggested that a similar report be produced as often as possible. Mrs Collinge advised that it was now possible to provide in-year contribution forecasts and these could be tied up with the College's dynamic SAR process on a regular basis throughout the year providing early warning / indicators of problem areas.

It was also noted that bench marks had now been produced from this report and future progress could be monitored against them. Following further discussion

**Resolved CB15/16-2.10: i) to note the report and the issues identified
ii) that similar updated reports be provided at regular intervals to committee and Board meetings**

The Chair asked that his item **15/16-2.11 Current Board Structure** be taken in conjunction with the following item. Members agreed.

• **15/16-2.12 Feedback from the visit of the FE Commissioner's Team**

Mrs Taylor presented a verbal report following the visit during the week of two advisors from the FE Commissioner's team. Mrs Taylor reminded members that the visit was expected following the issuing of the SFAs Notice of Concern over the College's current financial situation.

Mrs Taylor informed members that the two advisors, who had been at the college for two and a half days had been supportive of the College's efforts but had also recognised areas where the College could do more to improve its current status. These included:

- Contribution rates
- Low average class sizes
- Teaching contracts

The College would need to further develop, and work was already underway with this, a robust financial action plan which could also be used to work with the SFA and other stakeholders. The college must not underestimate the size of the job to be done, but positive outcomes are possible. Mrs Taylor informed members that the two advisors would return in April 2016 to carry out the next phase of the intervention.

It was felt that whilst there had been no surprises in the findings of the advisors, their visit had proved beneficial and the college now awaited their initial report. Mrs Taylor advised that she would provide members with a more detailed written report as soon as possible, but that the advisors had only fed back to her that afternoon. Mrs Taylor advised that she will be informing College management and staff of the feedback in the days running up to the Christmas break and there was also the meeting with the SFA the following Monday afternoon which would have relevance as a parallel process.

Resolved CB 15/16-2.12A: That, once the Commissioner's report has been received, Mrs Taylor will provide a covering paper outlining the Principalship's response.

It was also noted by the advisors that the Board needs to play its part in the College's recovery through its monitoring and more importantly challenging, whilst at the same time supporting, the Principalship and SLT. Mr Stephenson and Mr Ireland had both met with the advisor on their first morning in College, as had the Clerk separately. Mr Stephenson said their meeting had been positive but several relevant points were raised including:

- Why had the Board not seen the College's current financial position and SAR grades at an earlier stage?
- Were members of the Board not given sufficient and appropriate assurances by the Principalship and SLT to enable them to see the problems arising and make challenges?
- Was the level of Board's self-assessment accurate given the outcomes of 2014-15?
- Did members not feel they had to challenge the Principalship and SLT because their often detailed report pre-empted their questions?
- Does the Board meet often enough to be able to react to problems arising?

Members discussed the points made and following that discussion Mr Stephenson took up the last point with regards to meetings of the Board and its committees and proposed that the Board form a Recovery / Review Committee which will meet on a regular basis in the first half of every term in addition to the normal Board and Committee Schedule. The committee would be composed of the Chairs of the Audit, Curriculum and Quality Standards and Resources Committees, the Principalship and up to 3 other Independent members dependent on the expertise deemed required at the meeting. The meeting would initially review the current progress against the Recovery Financial Action Plan, progress against the College Transformation Plan and progress against the College

Quality Improvement Plan. Identified issues arising from the College Risk Management plan could also be dealt with. Mr Stephenson advised that he would work with the Mrs Taylor and the Clerk to finalise the Committee's Terms of Reference.

Members discussed the proposal at length and following those discussions

- Resolved CB15/16.2.12B:** i) that the Corporation Board of Accrington and Rossendale College will form an additional Board Committee to be known as the Review Committee
- ii) that the Committee's membership will initially comprise of the Chairs of the Audit, Curriculum and Quality Standards and Resources Committees, the Principalship and up to 3 other Independent members dependent on the expertise deemed required at the meeting. Directors of the College will be invited to attend if required.
- iii) that the Committee will meet in the first half of every term, or more regularly if required.
- iv) that the Chair of the Board, the Principal and the Clerk will meet to finalise the Terms of Reference for the Committee

• 15/16-2.13

College performance against Strategic Aims and Objectives 2014-15

The Principal presented her report. It was noted that much of the content had been reviewed in Committee meetings throughout the year through the reporting of the Principalship and members of the SLT, but this report provided an overview for members and other stakeholder readers of the final outcomes against the approved Strategic Aims and Objectives for 2014-15.

Members discussed aspects of the report and highlighted areas for further discussion the first being the impact of the special measures process where it was recognised that 43% of teams being in 'special measures' in 2014-15 were graded as good or better in the final 2014-15 SAR. Members were also pleased to note that with regard to the College's teaching, learning and assessment targets there had been a 7% improvement (on 2013-14) on the number of staff achieving Good or better which now stood at 85% with 33% achieving Outstanding (3% improvement on 2013-14).

Members turned to success rates for English and maths and although discussed in detail at the recent Curriculum and Quality Standards Committee members discussed the difference in success rates for 16-18 year olds and 19+ learners noting that where the subjects are not compulsory (for 19+ learners) success rates are substantially higher with maths 16.3% above national averages and English 5.1% above averages.

The Chair advised members that the mid-year progress against 2015-16 Strategic Aims and Objectives would be an item at the next Board meeting but suggested that the current progress be reported at the first meeting of the new Review Committee which would meet in January. It was noted that it might be the case that the Strategic Aims and Objectives for 2015-17 may need revision in light of the recent visit of the FE Commissioner's team and the impending visit of the SFA the following week.

Following final discussions members

- Resolved CB 15/16-2.13:** i) to note the report and the Outcomes against the College's 2014-15 Strategic Aims and Objectives

ii) that the mid-year report on progress against the College's 2015-17 Strategic Aims and Objectives be presented to the Review Committee at its meeting in January 2016

iii) That if required, in light of the visit of the FE Commissioner's Team, and the impending meeting with the SFA, the College's 2015-17 Strategic Aims and Objectives be reviewed, updated and presented to the Review Committee at its meeting in January 2016

• 15/16-2.14 Strategic Update

The Principal presented her update to members noting that most of the items had been dealt with in previous items of the agenda but her report contained updates on:

- The Recent Government Spending Review - members had been sent an AoC Briefing, various Pearson updates concerning the subject and several members had accessed an AoC/ETF webinar on the area under discussion
- Area Based reviews - Members were aware that the Lancashire (Pennine) Colleges would be subject to an area review as part of the 'Wave 3' reviews in April 2016
- Notice of Concern and FE Commissioner Intervention - discussed in previous items
- College Transformation Plan - discussed in previous items
- Lanway /Netwise Joint Venture - this venture is continuing with a feasibility report to be provided to the College by the 19th December. Members questioned this venture as it was noted that this had not progressed as expected over the previous 12 months. Members were advised that whilst there had been delays these were not on the college's part and this was not currently taking resources or finance.
- Performance against 2015-16 Key performance indicators - members had noted the performance in relation to previous reports given in the meeting and later items. Members and the Principal suggested that Class Sizes be added and the indicators for maths and English be split to clearly show 16-18 and 19+ success rates. Following further discussion requested that Mr Shah review these indicators and consider from a recovery point of view the essential ones where the main focus should be given.

The Chair asked that Item **15/16-2.17 Lancashire Principals and Chairs Meeting Update/ Areas Reviews** be brought forward to this point. Members agreed

Mr Stephenson reported that he and Mrs Taylor had attended a recent 'informal' meeting of Lancashire Principals and Chairs to allow all parties to 'get to know' each other prior to an announcement of the Area review 'Waves'. The meeting had been cordial with small group discussions regarding what may or may not happen in the coming months. Mrs Taylor reported a lot of work would be necessary to fulfill the requirements of a Structure and Prospects Appraisal when this was required.

Mrs Taylor went on to advise that now the Area Review Waves had been announced and it was apparent that there were two reviews in Lancashire; one being Lancashire (Pennines) and the other Lancashire (West), relevant colleges could start to make plans as to the work to be done and the relationships to be forged.

Following discussions on the matters raised members

- Resolved CB 15/16-2.14:**
- i) to note the report and the issues raised**
 - ii) To request that Class Sizes be included in the Key performance indicators.**
 - iii) to split out the success rates for English and maths to reflect 16-18 years olds and 19+ separately**
 - iv) that Mr Shah would review the Key performance indicators and recommend the essential indicators for focus during recovery.**

• **15/16-2.15** **Current performance against Contracts and Targets 2015-16**

The Vice-Principal (Finance and Corporate Services) presented her report which included reports on:

- Current performance against Contracts and Targets;
- Financial Situation to 31st October 2015;
- Covenant Compliance Report as at October 2015
- Summary of progress with the College Savings action Plan 2015-16 as at 1st December 2015
- Summary of the Financial Recovery Action Plan and Detailed Action Plan

Mrs Collinge advised that the various reports together provided a comprehensive overview of the College Financial position to date. Members agreed. It was also noted that the management accounts to 31st October had been scrutinised at the recent Resources Committee.

Concentrating on the College's current performance against contracts it was noted from the forecasts and the RAG ratings applied to them that the college was still showing a significant degree of risk across its funding streams for 2015-16. Mrs Collinge explained that the forecasts had been based on a combination of information including the pattern of claims in 2014-15, the value of additional work added from December 2014 to July 2015 and the current College Business Plan. A further year-end revised forecast will be provided with the management accounts for the end of November.

Mrs Collinge went on to describe the actions being taken across the various funding streams to ensure they are maximized in year. It was noted that The FE Commissioner's team felt that the Business Plan for 2015-16 is for most areas accurate, but care would need to be taken to ensure that the plan is regularly updated and that this is done with rigour. The work of the Curriculum, Funding and Development Group (CFDG) is now key for the college and is attended by all of the Principalship. The Board would also be represented at the next meeting.

Members questioned Mrs Collinge on areas of her report(s). One area challenged on was the situation regarding 24+ learner loans where it appeared that the College had been unable to maximize on the number of potential students who had applied for loans to attend college. It appeared that learners who applied did not then enroll, but for a range of reasons the college had not identified the problem. Members were assured that the cause of the inconsistency had now been resolved and curriculum teams were actively re-engaging learners for January starts which would bring the funding back into College.

Following further discussion members

Resolved **CB 15/16-2.15: to note Mrs Collinge's reports and the current financial position of the College**

8.30pm Miss Landon, with apologies, left the meeting

• **15/16-2.16** **Board Curriculum and Quality Update: The College Self-Assessment Report (SAR) 2014-15**

The Vice Principal (Curriculum and Quality) presented her overview report on the College SAR for 2014-15 and began by advising members that the College had taken the decision to provisionally down grade its self-assessment for 2014-15 from

'Outstanding' to 'Requires Improvement' and went on to detail the various reasons for this which included:

- College curriculum performance on several key lines including maths and English, apprenticeships and 16-18 provision compared to 2013-14 results
- the College's financial performance
- Increased rigour in the self-assessment process which had led to an adverse impact on subject area grade profiles

Miss Higgin advised members that this had been a hard decision to take as the 2014-15 overall performance was felt to be borderline 'Good'/ 'Requires Improvement'. The tipping point was the College's assessment against the new Ofsted Common Inspection Framework of its Leadership and Management grade (given its current circumstances) as 'Requires Improvement'. Members would be sent the final version of the SAR once it had been finalised in preparation for uploading on to the SFAs Provider Gateway.

A summary of final draft grades, along with the college's reported Key Strengths, Key Areas for Improvement in 2015-16 and Areas for Development in 2015-16, were summarised in an appendix to the report and members were asked to approve the grades provided.

Mr Stephenson and Mr Ireland (who had also been present at the SAR review meeting) advised members that they had met this week with the Principalship and discussed the overall SAR grade at length. A range of internal and external information had been fully considered together with the responses given to their further questions before jointly agreeing the grade.

Members expressed their disappointment at the grades, but fully understood from the explanations provided here, and from various other reports they had received previously, the reasons for them and

Resolved CB15/16-2.16A: to approve the Grades, as reported, for the College Self-Assessment report 2014-15

Members were keen to know what the current situation was with regards to the College's self-assessment for 2015-16. Miss Higgin advised that all the areas identified for improvement in the 2014-15 SAR had been swiftly addressed as detailed in the College's Quality Improvement Plan (QIP), which members had received a copy of. Miss Higgin reported that progress to date indicated that the College was currently 'Good'. Miss Higgin provided some detail which included reporting that overall in-year retention was currently 97%, showing that the College had recruited with more integrity (a key contributing factor to poor success rates in 2014-15).

Members noted that the QIP was monitored at SLT monthly and would now be reviewed at the Board's new Review Committee. Mr Stephenson reported that the FE Commissioner's Team had been very complimentary about the work of the College's Quality Team and hoped that this would be reflected in their report. Following final discussions members

**Resolved CB 15/16-2.16: i) to note the SAR overview report presented
ii) that an electronic copy of the SAR report be emailed to members when finalised
iii) that the QIP be monitored at meetings of the Review and Quality and Standards Committees.**

• 15/16-2.18 Declaration of Confidential Items
There were no items considered to be Confidential

• **15/16-2.19** **Date and times of next meeting**

Members noted the dates and times of the next Board and Committee meeting. The Clerk advised that he would organise the first meeting of the new Review Committee in January 2015, dependent on member availability which would be prioritized.

The Chair thanked all members and the Principalship for attending this meeting, thanked them all for the hard work they had contributed to the Board in 2015, wished everyone a happy festive season and said he looked forward to seeing everyone in the New Year.

The meeting closed at 9.00pm