



NON-CONFIDENTIAL MINUTES OF THE CORPORATION MEETING HELD ON 19 OCTOBER 2017

Present:	John Butler (<i>Chair</i>))	
	Trish Kidd (<i>Vice-Chair</i>))	
	Julie Barton)	
	Jan Fielding)	External Governors
	Don Logan)	
	David Schofield)	
	Andrew Wren)	Staff Governor (Principal)
	Rosalynn Stewart)	Support Staff Governor (Channelside)
In attendance:	Sue Hannan		Director of Curriculum (Young People's Learning) (<i>Agenda Item 1 only</i>)
	Mark Nicholson		Vice Principal Curriculum and Quality
	John Smith		Vice Principal Finance and Resources
	Oona Cushen		Clerk to the Corporation

ANNUAL SAFEGUARDING REPORT 2016/17

- C/17/001 The Director of Curriculum (Young People's Learning) referred Governors to paper FC/C/01/17 and advised that the volume of safeguarding issues is substantial, with 153 referrals already received this year, compared to 252 for the whole of 2016/17. Following the merger in September 2016, the safeguarding policies were updated and merged into one overall College policy. The individual operational procedures, however, were maintained for each site, as staff were familiar with each campus' referral process.
- C/17/002 Records of referrals were not kept in the same way across both sites last year, but the number was not as high as originally thought. The internal audit, undertaken by ICCA in November 2016, provided reasonable assurance, and all recommended actions have now been implemented.
- C/17/003 There was one referral to the Prevent Officer in relation to right wing radicalisation and there was some national press on the former student. All the College documentation was fully completed and all due process had been followed.
- C/17/004 The College is a member of the regional strategy group for Child Sexual Exploitation (CSE), working with the Constabulary, local schools and young people's organisations to discuss high risk cases and local issues. The College was invited to be a member as some of the young people at risk are current students. Some of the alleged perpetrators may also be some of the male students, and these are being closely monitored. Chelsea's Choice theatre company held a production in College focused around the risks of CSE, which generated lots of discussions with learners as well as raising awareness of the issues.
- C/17/005 The list of issues causing referral last year is included in the report, but a large number of referrals are around mental health issues and self-harm, both of which continue to be key themes. The Director of Curriculum (Young People's Learning) has attended a Designated Safeguarding Lead (DSL) course run by the NSPCC and the Head of Facilities, Safety, Health and Environment will also attend the course in December 2017. The safeguarding

teams at both campuses were expanded and merged to form one team to include staff volunteers who help broaden the mind-set and ask challenging questions. Half termly meetings are held and external specialists are invited to discuss various topics and help staff keep up-to-date with current thinking. Staff will be provided with further refresher training on Prevent, safeguarding updates at Levels 1, 2 and 3, safer recruitment plus legal obligations and changes in the past year.

C/17/006 From September 2017, there has been one confidential referral and recording process through Pro Monitor for both sites, which has proven to be very successful. When staff make a referral, the DSL and two deputies (one at each site) receive an email, which one of them will action. This will be either a dialogue with the member of staff who made the referral to obtain further information or any relevant actions. Safeguarding issues are only disclosed to staff who need to know, so a system has been introduced where any students with safeguarding issues will have a 'red flag' on Pro Monitor, so staff/tutors are at least aware if one of their students is under the safeguarding team without necessarily knowing the details. A staff newsletter is also produced every half term, advising staff on educational and referral updates as well as requirements under 'Keeping Children Safe'. Personal Progress Coaches (PPC), with a safeguarding remit, have also been introduced to replace personal tutors. PPCs will attend 'Team around the Family' meetings and relieve some of the work from the DSL. Not all curriculum areas have a PPC, so additional training is provided for those staff in areas without a PPC, as well as further support from the DSL and deputy DSLs. PPCs also received training on personal education plans, via the Local Authority. A follow-up audit by ICCA went well and will provide reasonable assurance on the actions implemented.

C/17/007 A 'Feel the Hate' production, highlighting issues around ethnicity, religion, disability and Lesbian, Gay, Bisexual and Transgender (LGBT), was seen by 550 learners, as well as the auditors who happened to be on site at the time. In addition, a local Imam is visiting the College to lead Muslim faith awareness sessions for staff and students.

C/17/008 More work needs to be undertaken in regards to Prevent and the team on working on devising posters and campaigns, updates to the Prevent risk assessment, staff training on far right radicalisation and on local issues. There will also be a review of the new recording procedures, which are already working well, plus any required audit actions.

In response to questions:

C/17/009 Prior to the merger, Governors at the Sixth Form College had expressed some degree of concern about staff wellbeing, particularly in regard to workload and responsibility placed on individual safeguarding staff. Governors sought assurance that there was sufficient resource allocated to safeguarding and for safeguarding staff's own wellbeing. It was confirmed that resources are good and enhanced training is provided for the PPCs and their co-ordinator. External organisations are also under funding pressures and the response can often be slow. For example, the only offer from the Children and Adolescent Mental Health Service (CAMHS) is Cognitive Behaviour Therapy or medication, so there may be increased costs for counselling as well as some additional resource required for this aspect. It was explained that some cases do require significant amounts of staff time but, if there is an immediate risk, this work takes priority over everything else. Optional external supervision and counselling is also available for the DSL and deputy DSLs so the team feel there is a good system of support in place.

C/17/010 There has been no reported local impact on the Buddhist community in Ulverston from the events in Myanmar, but social media does not help in this regard.

C/17/011 The Prevent risk assessment follows a template provided by a national body against a recognised standard, accompanied by very good guidance. It was first completed alongside the Prevent strategy, but will be reviewed. Governors also have specific responsibility. The template is quite comprehensive and includes issues which may not have been covered, e.g. College invites guest speakers and the policy around this has been reviewed. Any actions arising will be monitored through the Prevent action plan and the College Quality Improvement Plan. It was confirmed that the national guidance does not take account of local demographics and does not differentiate between types of radicalisation, but all of this is put into context within the College training.

C/17/012 The definition of safeguarding is explained in the document 'Keeping Children Safe in Education', which will be distributed to Governors via the Clerk. All staff and Governors undertake safeguarding and Prevent training and the Clerk will check when Governors are due for refresher training.

C/17/013 It was clarified that young people transitioning from schools with safeguarding referrals are allocated to the PPC within that particular curriculum area. It is possible that one person may have more cases within a specific curriculum area, but one of the coaches has two roles, 50% welfare role and 50% to provide support to other PPCs. In general, referrals are spread across all curriculum areas.

C/17/014 The Corporation received and discussed the Annual Safeguarding Report; paper FC/C/01/17.

ACTION: Clerk to forward the 'Keeping Children Safe' document to all Governors for reference.

ACTION: Clerk to check the training records for all Governors to determine dates of previous mandatory training and arrange refresher training, where necessary.

Sue Hannan left the meeting.

APOLOGIES FOR ABSENCE

C/17/015 Apologies for absence were received from Chris Dodwell, Ian Sinker, John Sidney and Caroline Vernon. Governors were advised that Ian Sinker is considering his membership at the present time for personal reasons.

DRAFT MINUTES OF THE CORPORATION MEETING HELD ON 6 JULY 2017

C/17/016 Amendments were noted to the date of the minutes, along with year changes for the date of meetings and the budget on page six.

C/17/017 The minutes of the previous meeting, held on 6 July 2017 were agreed, subject to amendments, as a true and accurate record and the Chair was authorised to sign the amended document.

ACTION: Clerk to make the necessary amendments prior to signing by the Chair of the Corporation.

MATTERS ARISING

C/17/018 The Clerk advised that there were no actions outstanding from the previous minutes. The development day will be arranged for the Spring term, as is normal sector practice, with the interim review of corporate objectives being a current agenda item.

ACTION: Clerk to arrange a Strategic Planning Development Day for the Spring term.

PRINCIPAL'S UPDATE

C/17/019 The Principal referred Governors to paper FC/C/02/17 and advised that the support staff was not yet complete, as this had been delayed due to staff annual leave over the Summer. There are three areas to be finalised but, once completed, all management and support staff roles will have been reviewed, with revised contracts and terms of conditions issued. Including those staff that left just prior to merger, there have been substantial cost savings of circa £500k. Where restructure costs were completed by June 2017, these have been reflected in the 2017/18 budget, with remaining costs ongoing and there is some prudence in the pay budget. The restructure was driven by the need to be more efficient following merger, but leaner times are forecasted with falling demographics and the slightly reduced BAE Systems training offer. Although the financial benefits of the restructure were not the driving factor, the College has made savings in a timely manner to ensure it is efficient, with the right staff in the right place. All staff, with the exception of academic staff at Rating Lane, will be on Furness College terms and conditions. The financial economies in 2016/17, year one of the merger, were an unexpected gain, along with the adjusted learner number allocation. Moving forward, the College will maintain a well-balanced budget.

- C/17/020 The College has recently won the Golden Apples award for best FE Provider in Cumbria.
- C/17/021 The year-end indicative performance against corporate objectives shows 2016/17 was a successful year for the College, with the vast majority of corporate objectives and the financial forecast achieved. There was £17.8m income, including the deferred capital grant, which exceeded the budgeted income of £17.5m and will be covered in further detail under agenda item eight. Currently, the expected surplus stands at £64k, compared to a budgeted surplus of £50k, despite some significant unforeseen costs, e.g. the £200k increase in pension contributions (a non-cash item). The costs of the in-year restructure have been offset by the removal of pay costs for those staff for the remainder of the year. The majority of colleges will be demonstrating an operating deficit this year.
- C/17/022 The overall achievement rate (all qualifications, all levels and all ages) has increased by 4% from 80% in 2015/16 to 84% in 2016/17. This has been achieved through a predominant focus on teaching and learning, learner progress tracking and improvements in English and maths. A Levels through Rating Lane supplemented the increase by about 1%. The biggest improvement area was English and maths programmes for a variety of factors. Functional Skills English improved from 50.6% in 2015/16 to 70.1% in 2016/17, whilst Functional Skills maths improved from 60.4% in 2015/16 to 70.9% in 2016/17. These are substantial improvements which can be directly attributed to the amount of resource and commitment shown by staff to improve these areas (including Governors and Jane Ridyard, who has since retired but directly managed that team). At present, the Director of Curriculum (Young People's Learning) is line managing two curriculum leaders, one for English and one for maths. The College has appointed a new Head of English and Maths from Garstang Academy, who will commence employment in January 2018.
- C/17/023 High grades in GCSE English improved from 18% in 2015/16 to 38% in 2016/17, but high grades for GCSE maths have marginally declined and will fall below the National Achievement Rate (NAR) for 2015/16. It is likely, however, that the NAR for 2016/17 will also fall, making the College on or slightly above the new rate. The feedback from the marking scheme is that learners fell down on the final maths paper (three papers in total) and the College will put in measures to better prepare learners for this paper. The decline in high grades is not altogether related to the revised grading system, but more in relation to the revised syllabus. This will be a key area for development in this year's Quality Improvement Plan.
- C/17/024 Both overall and timely apprenticeship achievement rates have declined due to a number of factors, including the use of a sub-contractor and this will also be a key focus in the Quality Improvement Plan. Although the sub-contract provided a substantial amount of income, the contract has been terminated, with no new learners being enrolled with this sub-contractor since May 2017. The data impact may take a further year to be managed through for existing learners. The College will be looking for substantial improvement this year for these learners. Assessor staff turnover has been an issue in some provision, particularly where the College has struggled to find replacement staff. There has also been under-performance in some curriculum areas, e.g. IT and Health and Social Care, but the senior team know exactly which areas are under-performing and are taking action to address the issues.
- C/17/025 The 16-18 learner number allocation for 2017/18 is 1,473 and, as at today, the College has recruited 1,350, which includes 520 at Rating Lane. It is forecast that an additional 10 learners will be recruited in time for the November Individual Learner Return (ILR), which is the critical point under the lagged funding methodology. There are plans for a further 120 learners after half term, as part of traineeships and a direct delivery 'step into apprenticeships' scheme. This delivery is aimed at attracting students into apprenticeships but who have not yet found an employer. There will also be an additional 50 learners through partnership arrangements with RV Projects. The College is forecasting that it will be close to its allocation by the return date.
- C/17/026 Some areas have under-recruited against plan, e.g. Construction and Health and, although 520 at Rating Lane appears higher than last year's outturn, the College has moved its art and applied science provision (about 50 learners) to the Rating Lane. This means there has been an overall reduction at Rating Lane from last year.

- C/17/027 There are 67 enrolled apprentices, discounting any BAE Systems apprenticeships, against a target of 351 and every effort will be made to ensure the target is achieved by the year-end. The role of assessors has been reviewed to include a focus on recruitment and a temporary incentive payment has been introduced. Up to Christmas, assessors (or sales team members will receive £100 for every enrolled apprentice they introduce that is retained beyond the six week count. Potentially, payments could amount to £35k maximum, if targets are achieved, which will be covered by the additional income these apprentices will earn the College. Apprenticeship recruitment has increased since the introduction of the incentive payment. Although it could be questioned that the incentive payment is additional reward for something that assessors should already be doing, this is a temporary measure and has been addressed in the revised roles and responsibilities of assessors.
- C/17/028 Apprenticeship recruitment has been affected by the funding changes and the move to the new standards. Some large employers view it as a procurement exercise, which is causing a backlog in the system. There is also a lack of knowledge amongst some employers around the impact of the levy and what it can be spent on. The aim of apprenticeships is for staff to bring their skills up-to-date and the College will need to work more closely with employers to make sure they use their entitlements with the College. Given the fundamental changes in apprenticeships, this is a high risk area for the College, but it was noted that every other college and training provider will have the same concerns. There are huge opportunities for employers as, even when employers have spent their levy payment, they only have to pay a 10% contribution.
- C/17/029 Apprenticeships are high on the College's risk agenda and the 2017/18 budget was set against a far lower recruitment target than last year, so there is no financial threat because of the reduction in apprenticeship starts. The College will endeavour to maximise the gains this year and Governors were assured that the budget was not overly ambitious and the target of 351 is challenging but achievable. There will also be opportunity to exceed the apprenticeship funding budget set this year.
- C/17/030 A new Head of Business Development, who is very experienced in this area, has been recruited and will take up post next week. There is also an interim management consultant working with the College through this transition period, until at least Christmas. The costs have been offset by the income brought in from business generated.
- C/17/031 HE student numbers stand at 460, against a target of 510, but continue to rise with additional HE apprenticeships and a further cohort enrolling in January 2018. This is loan-funded provision, so is more concerned with income as opposed to headcount.
- C/17/032 There will be the Ofsted Support and Challenge Post Merger visit on Wednesday 8 November 2017, which should be seen as a positive as it could have been a full inspection. The draft summary self-assessment report and Quality Improvement Plan will be made available to inspectors in advance, along with an updated data table highlighting three year trends. Governors will also meet with inspectors and be fully briefed beforehand. The inspectors are Bev Barlow and Alison Cameron Brandwood. The Vice Principal Curriculum and Quality had lead a working group on preparations for the visit and the College is very well prepared. Should there be any issues, a full inspection could be called immediately, but this is not expected. The reporting letter is not published
- C/17/033 A staff party was held in July to celebrate one year of merger and the benefits of investment and facilities at Rating Lane. The final main investment is the resurfacing of the car park, which starts later this week. Radio Cumbria adverts have also been pushed to market Rating Lane as a centre of excellence for art and design and there is an article in the Mail next week highlighting the investment in facilities.
- C/17/034 The College is meeting with the University of Cumbria (UoC) regarding the proposed Institute of Technology (IoT), which are being badged as the new centres of vocational excellence. This will be a joint bid with all four Cumbrian college, Gen 2 and the University. There is a lengthy application process and the outcome of the bid is not expected until later in 2018.

- C/17/035 The intention behind Cando FM was for the radio station to add value to student programmes. Having reviewed the facility, however, it is not providing any real value to the student experience for the amount of time and money invested. The station is run by staff, with the presenters being mainly external volunteers that are not students. In addition, the College is required to have an Ofcom licence which the College subsidises at a cost of £50k per annum which is unsustainable. Management have met with interested parties, including staff that work in the radio station, to review the option of setting up a community interest company (social enterprise) with a view to transferring the licence and name for that company to take on the running of the station. It would be expected that the management and location would be removed from the campus, but the College would provide a commitment to loan the equipment on a reasonable and indefinite basis, while the company would still provide work experience opportunities, along with some free advertising. The alternative option is for the College to relinquish the Ofcom licence and move to an online (internet) platform only. In this case, the College would produce and present the radio station but at times set by the College.
- C/17/036 Governors have previously been advised of the funding allocations and it is still too early to forecast whether the budget will be achieved, but there is nothing to suggest at this stage that the College will not meet its budgeted surplus position by the year end.
- C/17/037 The link to the new College video, which was made by an ex-student, is listed in the paper and all Governors were encouraged to view this online. The brief for the video was to sum up the essence of the College and what it feels like to study at College, showcase the facilities, campuses and main curriculum areas without using speech and only limited captions within two minutes. The video will be used on school visits and ties in to the rebranded website being launched next week.

In response to questions:

- C/17/038 It was noted that the national benchmark for staff costs as a percentage of income is 65%. The College is on target to achieve that, but will ensure that the staff body is maintained at an appropriate level for operations.
- C/17/039 Governors expressed disappointment around recruitment, particularly as it had been reported in July that applications were 18% higher. The Vice Principal Curriculum and Quality explained that learners very often applied to more than one institution and some applied to both Furness College and Rating Lane. In addition, BAE Systems has taken a proportion of school leavers directly onto their apprenticeship programme. With the slight decline in demographics, the same market share will yield fewer 16-18 students.
- C/17/040 The new GCSE grading were explained, with A* to G being replaced with 9 to 1 grades but the grade boundaries (and reformed syllabus) make it difficult to make a direct comparison. The new grade 4 is being considered as equivalent to a low grade C.
- C/17/041 The Director of Curriculum (Young People's Learning) worked closely with Jane Ridyard prior to her retirement and was also instrumental in bringing about change to the new systems and procedures to monitor performance. This continuity will ensure that improvements made to date will be built on and sustained. In addition, some staff who were not performing have been managed out and replaced with very good staff. Pro-Monitor has also been rolled out for progress monitoring. Maths outcomes were still a concern for Governors as maths forms an intrinsic part of a large number of qualifications and careers. Lessons learned from the improvements in English should be transferred across to the maths provision to ensure improvement this year, although it was recognised that, nationally, maths outcome are lower than English outcomes.
- C/17/042 Governors acknowledged the difficulty in balancing quality of the sub-contracted provision against potential income and queried whether another provider has taken on the learners. It was clarified that the subcontractor is still operating, but the College has terminated the contract. This will lead to an impact on finance if the College took no action to offset the loss of provision but the College will actively promote the quality of its offer. Some apprenticeships are now funded at a significantly higher rate, so the College would expect to see improvement in terms of apprenticeship income.

- C/17/043 It was reiterated that management knew which areas need to be improved and were reviewing assessor contracts, emphasising culture and training as the focus of their role has changed drastically as apprenticeships move from frameworks to standards. Actions are in place to manage the process and improvement through non-subcontracted provision and individual curriculum areas. Funding for apprentices in training from 1 August 2017 will change and this is reflected in the budget. It was noted that the Learner Experience Committee had discussed apprenticeships at length but Governors still felt further assurance was required around the potential impact on finances and recruitment, especially given the change of recruitment policy at BAE Systems. There could be a potential shift from 50/50 16-18 and 18+ learners to BAE Systems potentially recruiting more 16 year olds from year 11, as there is no age barrier for apprenticeships.
- C/17/044 It was confirmed that there is no clawback on a sub-contract for poor performance as funding is paid on an ongoing basis, so if a learner withdraws, the funding for that learner ceases. There is a final payment for learner achievement. Governors were assured that improvement in quality would always take priority over additional income, but the College stepped in for the benefit of the young people involved.
- C/17/045 There has always been some mobility of learners to Ulverston, Kendal and Lancaster, but falling demographics are affecting all providers. It is hoped that the improved Ofsted rating for the Furness Academy will help to retain learners locally, who will progress into the Sixth Form or main College.
- C/17/046 Bev Barlow is the regional lead inspector and supported the Sixth Form following its 'Required Improvement' inspection. Alison Cameron-Brandwood was the lead inspector for Kendal College and they found the team to be very fair. The College is well prepared for this visit.
- C/17/047 Governors queried the relationship between the Newcastle College Group (NCG) and the University of Cumbria, in relation to the proposed IoT. As NCG is already involved in an IoT in the North East, they have given Carlisle College the autonomy and encouragement to be involved in the Cumbria IoT as if they were an independent organisation. There have been new governance arrangements at Carlisle College, along with the appointment of a new Campus Principal and Chair of Governors. The Cumbria IoT is proposed as a virtual entity and, if successful, there will be some capital funding available but no revenue funding.

C/17/048 The Corporation received and discussed the Principal's Update; paper FC/C/02/17. Rosalynn Stewart, in her capacity as Head of Facilities, Safety, Health and Environment, left the meeting to deal with an estates issue.

REVIEW OF COLLEGE PUBLIC VALUE STATEMENT

- C/17/049 The Principal referred Governors to paper FC/C/03/17 and advised that the Public Value Statement was thoroughly reviewed two years ago and, again, last year when the strategy was amended to incorporate both campuses following merger. The current strategy was circulated to staff as well as Governors, with a view to approving the Public Value Statement for 2017-2020.
- C/17/050 Following staff feedback, the following changes are proposed:
- The 'celebration' value to include staff as well as students.
 - Inspire driver to include reference to the student voice, which reflects the work currently being done with the new Students' Union. Interviews for the sabbatical post of Student Liaison Officer from July 2018 are being held next week and the post is aimed at final year students on any level qualification at either campus. This is a one year fixed term contract to work with the National Union of Students (NUS), learner representatives and Student Services. The successful candidate will need the confidence and ability to work with the management team. The post may be funded through the College's own apprenticeship levy funding, through the offer of a Level 4 Apprenticeship and will most likely cover a gap year prior to university.

- Under the Contribute driver, it is recommended to replace 'sub-region' with Cumbria in the fourth bullet point and to amend bullet point five to 'Grow still further...'

C/17/051 The objectives will be further reviewed at the developmental session in the Spring term to plan the strategy for 2018-2020, but the over-arching objectives remain fit for purpose. The corporate objectives recommended for approval are drawn from this strategy, but have already been approved in some form via the curriculum and financial targets set. The additional performance indicators will also contribute to the success of the College. The teaching to support staff ratio ensures that staffing focuses on front line teaching as this is the core purpose of the College. The borrowing targets has been reduced from 2016/17 because the short term loan was repaid on 1 August 2017.

In response to questions:

C/17/052 Governors queried whether there was any targets in relation to student feedback or engagement. Although Governors receive various student feedback and survey outcomes through the Learner Experience Committee, satisfaction scores, e.g. from FE Choices Survey or internal College surveys, have not been included, either for students or staff, but could be included at a strategic level.

C/17/053 The Committee discussed and approved the Review of College Public Value Statement; paper FC/C/03/17.

ACTION: Principal to forward the presentation to the Clerk for inclusion in the electronic records.

As Rosalynn Stewart remained absent from the meeting, it was agreed to take agenda item 8 next.

MANAGEMENT ACCOUNTS SUMMARY FOR THE YEAR ENDED 2016/17

C/17/054 The Vice Principal Finance and Resources referred Governors to paper FC/C/05/17 and advised that the year-end accounts have not yet been presented to the Finance and Resources Committee but the summary should provide assurance to Governors that there will be no surprises in the formal financial statements in December. This is the first full set of accounts post-merger and all financial aspects of the merger have been taken into account. Owing to a change in accounting standards, the format of the accounts has changed to separate cash and non-cash transactions. The cash items will detail the actual operating surplus or deficit and the non-cash items are then added to show the final reporting position which drives the solvency of the College and the financial health grade with the funding agency.

C/17/055 The Vice Principal Finance and Resources met with the external auditors (KPMG) today and there are only minor changes to the accounts which will not materially change any of the figures. The auditors did say, however, that when the valuation of the Rating Lane site was transferred it excluded VAT and the auditors directed that this now needed to be included. As a result, this raised both the value of the estate and its depreciation. The auditors' explanation was that VAT is not recoverable, but VAT is recoverable for the College, so this may have to be re-amended, but does not change the overall position.

C/17/056 The operating surplus forecast was revised upwards to £1.179m in May 2017 and this has improved by a further £78k to £1.257m. The non-cash transactions reduce the reported surplus to £67k, against a budgeted surplus of £50k. The financial health grade will either remain outstanding or very good and this will be known later in the year. For 2017/18, it is expected that the financial health grade will be outstanding, as the short term loan, which adversely affects financial health scoring through the insolvency ratio, has been repaid.

C/17/057 The pension provision pay costs now stand at £459k, which is a significant increase. The figures have been questioned with the pension actuaries but are basically due to an increase in the Consumer Price Index (CPI). This is a non-cash item, however, and will not affect the overall financial health of the College. The calculations are based on the College's full payroll, but the payroll for LGPS non-teaching staff fell last year, so annual costs are not as high as the figures the calculations are based on but it does not material affect the reported surplus.

- C/17/058 Subcontracting provision boosted turnover and surplus for 2016/17, but will not be continued for 2017/18, for reasons earlier explained. Other non-government funding also exceeded budget, primarily due to the additional work with BAE Systems. The revenue from the April intake of learners is additional in-year funding, but this will not happen in 2017/18 and the budget takes into account that reduction in income. Pay expenditure was very close to forecast, but there was the addition of some severance payments for staff reductions which were included in the forecast.
- C/17/059 The College has generated £1.25m cash, which is used for repayment of debt, enhanced pension provision and capital expenditure, all of which are reported to the Finance and Resources Committee. Capital expenditure was in line with forecast at £624k and covered planned spending and the completion of the Advanced Manufacturing and Technology Centre (AMTC).
- C/17/060 The transfer of assets from the Sixth Form amounted to £3.743m (and is 20% higher with VAT included as previously explained) and will affect the ratio and depreciation. The important fact for Governors to note is the cash reserves of slightly lower than forecast at £2.1m and debts are slightly higher than normal due to an invoice being paid in August rather than July. Loans are low at £4m, and the £750k short term facility has now been repaid. This leaves the College with the original loan for this building over a further 17 years. The LGPS pension deficit has reduced as the stock market improved, but the £5.2m includes the Sixth Form provision as well. The enhanced pension provision relates to teachers already retired. The other provision is the outstanding £50k loan from the Sixth Form, but repayment has not yet been requested so provision for this will remain in the accounts at this time.
- C/17/061 There is an agenda item in relation to the bank covenants, but the table included in the accounts has to be included under the new reporting standard and for all future reporting. Governors will note that the College is not at risk of breaching any of its bank covenants and the College would have to be in financial difficulty before its covenants are breached. Governors already monitor the key risks, which have been fully mitigated.
- C/17/062 There is an emerging issue from a Teachers' Pension audit at the Sixth Form, and is mainly around providing evidence for the period April to July 2016 and the College is working to resolve this. Apart from this, the pension audit is complete.

In response to questions:

- C/17/063 The pension audit is always undertaken at this time and post-merger, it is all within one claim from August 2016 to March 2017. The issue relates assurances required for the pre-merger period. The College knows the numbers but must provide the evidence that the auditors require to support those numbers or that part of the report may have to be qualified. It was emphasised that there is no suggestion of any wrong-doing but the evidence needs to clarify which staff members were covered and how this was calculated. The prudent budget mitigated risks involved from the merger and this is a successful outcome for the first year of a merged college.
- C/17/064 Governors noted the very positive set of accounts, particularly on the pay expenditure forecast in light of the merger and the College was commended for the outcomes.
- C/17/065 The Corporation received and discussed the Management Accounts Summary for the Year Ended 2016/17; paper FC/C/05/17.**

Rosalynn Stewart re-joined the meeting.

ANNUAL HEALTH AND SAFETY REPORT 2016/17 PLUS REVIEW OF POLICY 2017/18

The Support Staff Governor, in her capacity as Head of Facilities, Safety, Health and Environment, referred Governors to paper FC/C/04/17 and advised the report highlights the key areas of impact during the year. The key points highlighted were:

- C/17/066 There have been no changes to health and safety at work legislation, which would impact on College activity and the primary focus for the previous year was the successful merger

of both campuses, with two different campuses and culture. This is especially difficult from a health and safety culture standpoint and a lot of work has been undertaken to ensure there was no perception that Furness College was imposing its own policies and procedures on Rating Lane. Changes were implemented where this would have a positive impact or would align better with current legislation. There has been a move towards a more consistent approach across both sites, as more people were visiting the department with questions about health and safety. Last year's audit did highlight some changes that are still required, but all the remedial actions have been addressed. Some actions will take longer to implement and are ongoing.

- C/17/067 There has also been a full review of health and safety, including all relevant policies and procedures. The department does have a presence at Rating Lane and there has been some restructure in the team. Responsibility for the environment has been added, which includes all cleaners, site staff and work experience etc. Feedback from Rating Lane in regards to the changes made has all been positive.
- C/17/068 The Head of Facilities, Safety, Health and Environment is also a deputy DSL, so keeps all aspects of wellbeing relevant and up-to-date.
- C/17/069 The College brought in an external company to complete the fire risk assessment over the Summer period, given the new unit workshop at the Business Park. Whenever there is a new building or venture, an external company will undertake the first assessment. Reassurance has been provided from the external review and the College will undertake any remedial action required and then undertake its own reviews in the future.
- C/17/070 The number of work-related accidents decreased in 2016/17, whilst non-work related accidents increased. These are accidents that happened outside the normal working environment, e.g. slips, trips or falls etc. that happened outside of College but were dealt with as first aid incidents. The reporting of 'near misses' improved, with more incidents being reported so preventative action could be identified and this tends to happen in a spate of reporting rather than steady reporting throughout the year. There were two reportable RIDDOR incidents and four serious adverse incidents that warranted internal investigation. BAE Systems was also brought in to review one of these investigations.

Julie Barton left the meeting.

- C/17/071 The College will remain with Traveller's Insurance for 2017/18 as they provide a very approachable service. There is one ongoing claim against the College from several years ago. An initial court date had been set for January 2018, but the College has recently been advised this will now move to between April and July 2018. The College will defend against the claim.
- C/17/072 Staff training is a priority and more staff are requesting health and safety training, which is funded through a separate budget. All requests for training identified as necessary will be approved.

In response to questions.

- C/17/073 It was confirmed that the College continues to have an issue, mainly parking, on the road outside Channelside, particularly when the Sports Centre is open. The road is not owned by the College and, therefore, no changes are able to be made. There have been two near misses in relation to the car park and this has since changed to a bollard system and speed bumps have been added. There is ample car parking available; the only times the car park may reach capacity is if several conferences are being held in the College on the same day. Governors questioned whether Ofsted would consider the situation to be an unsafe environment, but the College has implemented all changes within its control and can provide evidence that it has attempted to improve the environment where it is outside of the College's control, e.g. contact with the Council, parking wardens etc.
- C/17/074 Although there is also adequate parking available at Rating Lane, the College is also improving the car park facilities there, with resurfacing works and additional lighting. The car park has closed for these works, which will be completed during the half term, and there have been no complaints about on-road parking to date. The use of the rear car park

is minimal at the start of term, but gets busier throughout the year as more students pass their driving test.

C/17/075 It was queried that the policy section on responsibility (page four) included senior postholders but did not make reference to the Board and its monitoring or oversight. It was agreed that appropriate wording would be included prior to signing by the Chair.

C/17/076 The Corporation discussed the Annual Health and Safety Report and approved the policy for 2017/18; paper FC/C/04/17, subject to the inclusion or appropriate wording in relation to Governors' responsibilities for health and safety.

ACTION: Clerk to circulate the HSE 'Leading Health and Safety at Work' Guide to Governors.

ACTION Head of Facilities, Safety, Health and Environment to include appropriate wording in regarding to Governors' responsibilities, prior to sign off by the Chair.

2017/18 CAPITAL EXPENDITURE BUDGET

C/17/077 The Vice Principal Finance and Resources referred Governors to paper FC/C/06/17 and advised Governors had already approved the capital expenditure as part of the main 2017/18 budget. Capital expenditure includes IT, machinery and equipment etc. required to meet the needs of the curriculum. A major job was to expand the welding capacity, which has been planned since Spring but costs have only recently become known. Consideration had been given to adapting part of the Motor Vehicle space, but this proved too expensive, so the Painting and Decorating facilities have been moved into a unit on the Business Park. The existing Painting and Decorating space will now be converted for welding, which is expensive but can be absorbed within an overall increased budget. The College is, therefore, seeking approval from Governors to increase the capital expenditure budget from £0.4m to £0.575m.

C/17/078 In regards to impact overall finances, it is forecast that this will reduce the overall balance by £100k taking into account an improved performance in 2016/17 and the cash forecasted to be generated in-year. This will not affect the financial health grade. The potential risk is if the College loses its work with BAE Systems but welding is funded at £9k per learner. However, the facility will provide space for 34 full-time apprentices over three days, with extra capacity for day release on the remaining two days. The new painting and decorating unit will also increase for an additional 10 students.

C/17/079 The Corporation discussed and approved the variation to the 2017/18 Capital Expenditure Budget; paper FC/C/06/17.

BANK COVENANTS; LLOYDS BANK LOAN FACILITY

C/17/080 The Vice Principal Finance and Resources referred Governors to paper FC/C/07/17 and advised this is a formality required by the bank with suggested wording. There is no intent to change the outcome of the covenants from the original agreement in 2010. The formal headings are taken from the balance sheet, modelled and the reserve figure adjusted. There was a small typing error to be corrected.

C/17/081 The Corporation approved the amendment to the Bank Covenant; Lloyds Bank Loan Facility; paper FC/C/07/17.

DRAFT MINUTES OF THE GOVERNANCE AND SEARCH COMMITTEE MEETING HELD ON 21 SEPTEMBER 2017

The Chair of the Governance and Search Committee, John Butler, reported on the meeting held on 21 September 2017, fully detailed and explained in the draft minutes, paper FC/GS/08/17. The key points highlighted were:

C/17/082 Tracy Irwin has resigned her position as a Governor, for personal reasons, and, as mentioned earlier, Ian Sinker is considering his position. The Board recorded a note of formal thanks to Tracy Irwin for the work undertaken, particularly on the Audit and Risk Assurance Committee. As membership of the Audit and Risk Assurance Committee was still under review, the Board proposed and approved that Don Logan become Chair of the Audit and Risk Assurance Committee for 2017/18.

- C/17/083 The College will be seeking new Governors with a proper appointment cycle. There are several potential candidates. The Chair is in discussion with someone from the parent body of Pacific Nuclear Transport Limited (PNTL), who would make a very good addition to the Board. The Principal is progressing discussion with BAE Systems and the University of Cumbria for representatives and has also identified potential candidates from the hospice. The search will also be expanded to support current Governors to meet requirements and it is recognised that the Board is stretched at the moment. There were also discussions around more planned development and training sessions to enable Governors to discharge their responsibilities, as well as mandatory training.
- C/17/084 The terms of reference for all committees have been reviewed, alongside a new action checklist and annual reports for all committees and the Board. There was also a thorough review of the Instrument and Articles of Government and the Standing Orders. All documents are recommended for approval.
- C/17/085 The Committee have recommended the re-appointment of Julie Barton and Chris Dodwell for a further four year term of office.
- C/17/086 The re-appointment of Trish Kidd was unable to be dealt with at Committee and will, therefore, be a confidential item, under Section 40 of the Freedom of Information Act, for Corporation Members only. Paragraphs FC/C/17/087 and FC/C/17/088 are, therefore, minuted separately.
- C/17/089 The Corporation received and noted the Draft Governance and Search Committee minutes, paper FC/GS/08/17 and approved:**
- **Annual Report on Governance, paper FC/GS/04/17, subject to the amendments proposed by the Committee.**
 - **Review of Instrument and Articles of Government; paper FC/GS/05/17.**
 - **Annual Review of Standing Orders for the Corporation and Committees, including Committee Membership and Governors' Code of Conduct, paper FC/GS/06/17.**
 - **The re-appointment of Julie Barton and Chris Dodwell as independent members for a further four year term of office, 5 December 2017 to 4 December 2021.**
 - **The appointment of Don Logan as Chair of the Audit and Risk Assurance Committee for 2017/18.**

ACTION: Clerk to send letters of re-appointment to Julie Barton and Chris Dodwell.

DRAFT MINUTES OF THE LEARNER EXPERIENCE COMMITTEE MEETING HELD ON 5 OCTOBER 2017

The Chair of the Learner Experience Committee, Jan Fielding, reported on the meeting held on 5 October 2017, fully detailed and explained in the draft minutes, paper FC/LE/05/17. The key points highlighted were:

- C/17/090 A very interesting presentation had been received from the Head of Area for Health, Early Years and Education, focusing on the curriculum offer, any associated issues, wide ranging College activity and their view on Pro-Monitor, having been a pilot area. Governors had asked questions around the impact of the maths and English strategy in relation to improvement and how affected entry requirements and overall completion. The results from the student questionnaire were also reviewed, with some answers not as expected, e.g. progression to university, and the appropriateness of the question is being revised for future surveys.
- C/17/091 The Committee had also reviewed its terms of reference, outstanding actions and results from the HE National Student Survey (NSS). The survey results had been disappointing and Governors had expressed concern, particularly in light of the recent Teaching Excellence Framework (TEF) award. Students had taken the opportunity to voice their concerns on an issue already addressed by the College. The courses affected were Business and Admin and Computer Science, but all students still achieved.

C/17/092 The Committee scrutinised the areas of under-recruitment, and these have already been reported in the Principal's Update, but include A Levels, Construction, Sport and Public Services. Governors had welcomed the performance update for Channelside and Rating Lane, and had challenged management on the results, particularly maths and English. Timely and overall apprenticeship achievement had also been discussed. In regard to A-Levels, there was candid discussion with some subjects not having performed as expected, despite having some very experienced members of staff. It was acknowledged that it had been an unusual year with the introduction of the reformed A-Levels and it was, therefore, more difficult to make comparisons.

C/17/093 The Corporation received and noted the Draft Learner Experience Committee minutes; paper FC/LE/05/17.

INTRODUCTION OF GOVERNANCE SELF-ASSESSMENT

C/17/094 The Clerk referred Governors to paper FC/C/08/17 and advised that the Board must undertake a self-assessment of performance to comply with the UK Corporate Governance Code and to enable the signing of the financial statements. Governance comes under the Ofsted leadership and management grade.

In response to questions:

C/17/095 The Clerk explained the process and how individual responses, scores and comments, would allow the Clerk to identify any gaps in knowledge and training, as well as providing a main overview. It was agreed Governors would complete the questionnaire individually, with a collated return being presented at the next Board meeting for Governors to have a broader discussion and agree an overall grade for governance.

C/17/096 The Corporation received and discussed the Introduction of Governance Self-Assessment; paper FC/C/08/17.

ACTION: Clerk to email the self-assessment questionnaire for completion and return by Governors.

ANY OTHER BUSINESS

C/17/097 The Chair thanked Governors for their input and challenge. Governors transferred from Rating Lane noted that the College Board was more professional and were assured that due process is followed. It was acknowledged that the minutes have not always captured the challenge provided by Governors but the reasons for this were understood.

CONFIDENTIAL DISCUSSION WITH EXTERNAL MEMBERS ONLY

C/17/098 This is a confidential item, under Section 40 of the Freedom of Information Act, for Corporation Members only. Paragraphs C/17/99 is therefore, minuted separately.

DATE OF NEXT MEETING

C/17/100 Thursday 7th December 2017 at 5pm; the Chair advised that he was no longer available for this date, which may have to be re-arranged.

ACTION: Clerk to ascertain Governors availability for Monday 4th December, Tuesday 5th December, Thursday 7th December and Thursday 14th December.

The Corporation agrees that these minutes are an accurate record of the meeting.

SIGNED:

NAME: (Chair)

DATE: