



NON-CONFIDENTIAL MINUTES OF THE CORPORATION MEETING HELD ON 26 APRIL 2018

Present:	John Butler (Chair))	
	Trish Kidd (<i>Vice-Chair</i>))	
	John Sidney)	
	Don Logan)	
	Robin Casson)	External Governors
	Jonathan Lake)	
	Mark Crowther)	
	Chris Dodwell)	
	Julie Barton)	
	Jan Fielding)	
	Roz Stewart)	Support Staff Governor
	Jim Rawnsley)	Teaching Staff Governor
	Liz Kershaw)	Staff Governor – Rating Lane
	Callum Slater)	Student Governor (FE)
	Andrew Wren)	Principal

In attendance:	Mark Nicholson	Deputy Principal Curriculum and Quality
	John Smith	Deputy Principal Finance and Resources
	Karen Johnson	Acting Clerk to the Corporation

APOLOGIES FOR ABSENCE

C/18/12 Apologies for absence were received from Caroline Vernon (external), Chris Dodwell (external) and Lorraine Falle (student).

Governors were advised that David Schofield has tendered his resignation from the Board. Governors asked for a formal letter be sent to David to record their thanks for his service to the Board.

Action: Chair and Clerk to action letter of thanks to David Schofield

DECLARATIONS OF INTEREST/EQUALITY/DIVERSITY & HEALTH & SAFETY

C/18/13 The Chair drew Governors' attention to the two paragraphs at the top of the agenda, formerly agenda items reminding Governors of their responsibilities and to declare any interests relevant to agenda items, as that this also included responsibilities around Equality, Diversity and Inclusion

APPOINTMENT OF EXTERNAL GOVERNOR

C/18/14 The Board were advised that the Governance & Search Committee had recommended Mark Crowther, as suitable for appointment to the Board as an external Governor.

C/18/15 **Resolved: Mark Crowther be appointed as External Governor of Furness College for a period of 4 years.**

Mark was then invited to join the Board and the Chair welcomed Mark on behalf of the Governing body.

DRAFT MINUTES OF THE CORPORATION MEETING HELD ON 7.12.17

C/18/16 Minor amendment required to attendance and absence records: John Butler to be noted as apologies for absence.

Resolved: With the exception of the above amendment the minutes were agreed as a true and accurate record. Acting clerk to amend attendance record. Chair to sign

MATTERS ARISING

Actions from the previous meeting:

Clerk to circulate the "Keeping Children Safe" document to all governors – complete
Clerk to draft letters of reappointment arising from the October Board meeting – complete
Clerk to check the mandatory training records for Board members and arrange for refresher training if appropriate - The Acting Clerk reported that this had been partially completed and was in hand
Clerk to circulate the HSE 'Leading Health and Safety at Work' Guide to Governors – complete
Actions from March meeting
Director of YPL to amend Safeguarding Policy & Procedure as agreed before publishing - complete
Principal's Report to include an update on Gender Pay (with latest data) at July Board – if the data is available at that point in time – Data will be available for October 2018 report
The DP F&R to produce a Bribery & Fraud Policy to strengthen assurances around this within the College and support existing policies which are in place

DRAFT MINUTES OF THE EXTRAORDINARY BOARD MEETING HELD ON 15.3.18

C/18/17 It was agreed that the final sentence at G/18/008 have an explanatory statement added, to read "allowing the college to achieve its' final allocation"

Resolved: the minutes were agreed as a true and accurate record subject to the agreed amendment. Acting clerk to add the statement suggested. Chair to sign

SAFEGUARDING POLICY & PROCEDURE

C/18/18 The Deputy Principal C&Q presented the Safeguarding Policy and Procedure which had been amended slightly to ensure that these referred to new legislation, the additions required were highlighted within the policy and procedure are were around sexual harassment and sexual violence. It was suggested that the references to the College sites within the policy be amended to reflect the merged College.

In addition, it was suggested that the acronyms be expanded for wider understanding

C/18/19 **Resolved: The Board approved the Safeguarding Policy & Procedure subject to the amendments raised**

C/18/20 **Action: The Director of Young People's Learning to amend the policy as outlined with Governors comments**

C/19/21 Governors questioned safeguarding issues in general, the Principal raised that the number of referrals continues to rise and this is being appropriately managed by the College despite the significant amount of staff time involved. An increase in the number of students requiring support was being experienced across the sector and it is believed that the reduction in support services available to young people, for example mental health support, has increased the level of issues.

PRINCIPAL'S UPDATE

C/18/22 The Principal presented an update on recent activity which included:

- Gender pay gap – published data. The full Gender Pay Gap report had been appended to the Principal's Report and is also available on the College website in line with regulations. The women's mean hourly rate is 21.8% lower than men's. The women's median hourly rate is 35.5% lower than men's. The Principal added that the College has a large number of part-time staff, for example cleaning staff, who are primarily female and this has negatively impacted on the median pay gap.
The Principal added that the college adheres to equal pay legislation which is a different metric to the gender pay gap
Governors raised that it would be useful to have an updated report which had data relating to the current year and requested that if possible this be submitted to Board in July.
Action: the Principal's report to the July Board include an updated analysis gender pay gap data, subject to the data for the year being complete
- New applications for the academic year 2018/19 – at this point there are 45 more applications than at the same point the previous year. A lot of work is taking place to "keep applicants warm" since the critical figure is conversion from application to enrolment. The Principal believes that

the College is likely to have very similar enrolment figures (16-18) as the current year due to local demographics

- The College has under recruited 16-18 learners this academic year which will affect the funding for next academic year, due to lagged funding. There are a number of factors involved in this, primarily falling demographics, the market share has been maintained. Due to the location of the College it is difficult to attract additional learners from outside the local travel area.
- Apprentices – likely to be just under target on learner numbers, however the funding target for apprenticeships will be met

C/18/23 Governors questioned how the targets for apprentice numbers are set. The Principal advised that there is a funding methodology behind this headcount target, in that the level of funding the College receives is dependent upon, for example, the programme the apprentice is on, if the employer is an SME or large employer, this funding methodology is then combined with likely headcount numbers

- HE – lower than target numbers, which is disappointing since HE is an area for growth. The College is likely to be very close to funding targets, however the numbers are lower than target
- The Principal reminded Governors that the College works with 4 providers of HE and that the College is looking for growth; higher apprentices (degree level apprenticeships) are seen as an area for growth, not only by the College but also HE providers, this has resulted in HE providers looking to deliver higher apprenticeship programmes with the results that they can potentially be in competition with the College. The College is in discussion with providers to find a positive way forward where there are potential conflicts in delivery
- Step Up Stand Out – new short funded rolling programme, students can start at any point in the year. Students follow an accredited programme with vocational content
- Cumbria Skills Alliance – the Colleges' (Cumbria) are utilising the remainder of the transition funding (match funded) to purchase a Customer Relationship Management system which will be installed in each college
- CandoFM – progress update regarding the transfer of the licence to Furness Broadcast Media, which is progressing well, students will retain the opportunity for work experience and also there are positive opportunities around advertising
- Reportable surplus around £100k indicated at year end
- Funding allocations for 2018-19 – there is a reduction of £1.2m in funding, this is due to lower than planned learner numbers this year (lag funding), higher funding received for 17/18, lower weighting of courses which impacts on the level of funding attracted for that course, Reduction in the deprivation weighting factor. To compensate for this the College will look to increase income in the following academic year, the ESF funding has been extended to March 2019, which has increased the ability to draw down additional funding. To deal with this the College will look to reduce its levels of costings, for example resources and staffing, the College has recently completed a robust curriculum planning process. Overall the College is likely to achieve around £800k reduction in costings overall. The DP F&R expanded that there are a number of factors involved which can bring the budget in line with income, whilst allowing for a contingency to be forecast.

The Principal added that in view of the above, the College will also need to consider the level of pay award allocated within the budget given the situation.

To provide context the College performs well in areas of spend when compared to the sector, with the exception of the percentage of staffing costs which are high in comparison to the majority of colleges.

C/18/24 Governors questioned if the situation the College is facing is sector wide or is unique to the College. The Principal advised that the situation is due to lower demographics in the current area, this will continue for a further year, but longer term the demographics will increase and will be a reversing trend as long as the College can maintain its' market share.

In addition, the DP F&R added that the number of apprentices recruited by large employers impacts on the number of 16-18 learners joining the College since there is a defined number of young people in the local area. Although the majority of these learners will be trained at the College this is at a lower level of funding.

C/18/25 **Resolved: The Board noted the Principal's report**

APPROVAL OF SENIOR POST HOLDER POST

C/18/26 The Principal advised that the Deputy Principal Finance & Resources has tendered his resignation, due to retirement, with effect from 31.7.18. Because this is a senior post holder role, Governors are required to formally approve recruitment for the role as well as approving any appointment to the post.

The Governance & Search Committee had discussed this and recommended that the recruitment for the role to be formally approved by Board. As part of these discussions it was deemed that this was a crucial position given the current financial situation and it was concluded that the post was an essential like for like replacement. The Principal added that the College has not replaced those members of the senior leadership team who have left College over the past 12 months but this post is critical to provide financial leadership.

C/18/28 The Chair added that the G&S Committee had resoundingly agreed that given the challenges the college faces a role of this seniority is critical. Governors suggested that should it prove difficult to recruit a person of the right calibre then care should be taken to revise the way forward if required.

C/18/29 The selection process will take place over a two day period and a number of Governors had indicated availability to be involved in the process, the Governance & Search Committee had recommended that the approval of the appointment be delegated to the (external) Board members involved in the selection process. Since this is lower than Board quoracy specific approval is required.

C/18/30 Resolved: The Board approved the replacement of the post and the delegation of appointment for the post to a delegated committee of Board members

PERFORMANCE MONITORING REPORT

C/18/31 The Deputy Principal C&Q presented the performance monitoring report and drew Governors' attention to the key areas for improvement identified:

- Apprenticeship Achievement – challenging position, ongoing achievement had been scrutinised at the Learner Experience Committee because the College is unlikely to see the targets for achievement met this academic year, despite a number of interventions and additional scrutiny which is now in place. This is primarily due to a sharp decline in engineering apprenticeship leavers (with high achievement rates) and an increase in care apprenticeship leavers (who have a traditionally lower level of achievement) which has detrimentally affected achievement figures, it is not expected that this position will fully improve until the 2018-19 academic year.
- Retention on Adult Learning Programmes is currently below target (90%) against an end of year target of 91%, however due to a number of new interventions the end of year forecast is expected to be 92%. On analysis the underperformance is primarily due to a higher proportion of adult provision being longer and more substantial than in previous years, which can affect retention in year. Planning for 2018-19 will include a new offer of shorter and more focussed programmes that will respond to a broader community need to support adults into employment through a new offer in addition to the more traditional routes that the college currently offers.
- English and maths – in year indications are that retention of English & maths programmes will show an improvement on 2016-17. Head of Area and curriculum leader roles are now in place and are driving forwards improvements through additional interventions and increased focus.
- Teaching Learning & Assessment – the observation process has been streamlined across campus and at the current time the headlines are above target, this is on ongoing process

C/18/32 The Board noted the additional interventions and scrutiny which have been put in place to improve areas which are performing below target.

C/18/33 Resolved: the Board noted the report

MANAGEMENT ACCOUNTS SUMMARY FOR THE PERIOD ENDED 31.3.18

C/18/34 The DP F&R referred to the management accounts for the period ending 31.3.18 and drew Board attention to:

- The budget has set out to have a larger surplus than normal, along with contingencies should recruitment of learners be higher than normal

- The result of this is that the college has not earned as much income as expected but has spent less which had provided a form of financial protection this year
- A summary of the income and expenditure headlines was provided
Government funding £439k short to period 8 – the end of year variance is substantially better due to engagement of a sub contractor
Other income – lower due primarily to lower than expected income with BAE Systems
Confidence that as the year progress the £439k shortfall will reduce
- Non pay – will be below target at year end due to careful management
- The college has generated an operating surplus of £810k which is £265k behind the budget assumption, though substantially better than at this point last year. The reportable surplus after non cash transactions falls to £25k, again behind budget but significantly better than at the same point last year
- Cash generated from normal revenue operations is now estimated to the around £1.285m which will finance capital expenditure, repay long term debt, fund ongoing pension costs and reduce the overall pension deficit and minimise the reduction in college cash balances. This value as a % of income is one of three ratios used in financial health assessments
- The summary of all the activity is that the College will still be rated as financially outstanding using the current calculations
- Capital expenditure is likely to be slightly over target due to the significant work carried out in year
- The DP F&R reminded the Board of bank covenants which have been amended as a requirement of FRS102 to include deferred capital grants within assets, a summary of the impact of this was provided in the accounts summary

C/18/35 Governors questioned the level of depreciation within the accounts and were advised that the discrepancy in the target figure is due to an error in the original calculation due to the AMTC depreciation not commencing until occupation of the facility rather than completion

C/18/36 Resolved: The management accounts were noted.

DATA PROTECTION POLICY AND ANNEXES

C/18/36 The DP C&Q presented the Data Protection Policy and annexes for approval. These had been updated in readiness for the implementation of GDPR regulations in May, to ensure that the College remained compliant around data protection regulations. The DP C&Q raised that the college had recently undertaken an internal audit with the intention to assist us in the preparation for the implementation of the regulations. The report was positive with a number of recommendations which have been actioned to assist the college in readiness for implementation.

C/18/37 Resolved: The Board approved the data protection policy and the associated annexes

LEARNER EXPERIENCE COMMITTEE UPDATE

C/18/38 Summary report of the key activity discussed and agreed at the Committee had previously been circulated.

- An update on the English & maths from the Head of Area which provided a comprehensive and positive overview of activity and interventions which had been put in place in order to drive forwards improvement in this key area.
- Analysis of the Q1 learner survey (Autumn term) Analysis: Overall satisfaction was high and any individual areas of lower satisfaction were being investigated in more details to drive forwards increased satisfaction.
- An n overview of ProMonitor, which is the system used by the College to monitor and track student progress.
- Performance Monitoring Report – *as presented to Board this evening*. The Committee had discussed in detail apprenticeships and the impact of the changes in the sector on apprenticeship numbers and had discussed in detail the interventions in place to deal with areas of lower performance than target.
- Adults – looking at a more agile and flexible offer to increase learner numbers in this area, which is already having a positive effect on numbers

- Value added – a number of underperforming A level subjects has had a negative effect on this. This is being closely monitored with this year’s performance in mind.
- Minutes of the EDI meeting held on 9 March 2018 and highlighted the key discussed at the meeting, which included an analysis of the equality objectives. EDI Policy - The reviewed policy was presented to the Committee for approval with a note that the policy is required to have the Committee’s approval on an annual basis. The DP C&Q raised that there had been no significant amendments to the policy, any amendments were around ensuring that the content regarding organisation structure and strategy is up to date.
The Committee also received the Annual Equality report which provided analysis and opinion on the College’s performance related to the protected characteristics identified under the Equality Act 2010. The College had met three out of five equality objectives which had been set by the College. New objectives, included a revision of the two which the College had not met would be set.
- Learner Voice and Complaints, Comments and Compliments report – a summary of termly activity was shared

C/18/39 Resolved: The Board noted the LE Committee update

FINANCE & RESOURCES COMMITTEE SUMMARY

C/18/40 A summary report of the key activity discussed and agreed at the Committee was considered. This included:

- A discussion around the sub contracting arrangement which had been approved by the Extra Ordinary Board meeting in March, which should the timing had been in favour would normally have come to the F&R Committee for approval first. The Committee had discussed this in detail at their meeting and wanted to pass on assurances to the Board that this had been discussed and considered fully by F&R Committee
- Presentation of and detailed discussed of the Management Accounts – which were also presented to Board this evening.
- Presentation of the budget outline for the upcoming academic year, alongwith a summary of factors which had been taken into account when drafting the outline
- HR Report – an overview of termly activity across a number of key performance areas, the key point raised had been the increase in staff absence over the term. The Committee has discussed having absence reported by areas of the college rather than a whole.
- Gender Pay discussions – as discussed at Board this evening
- Fees Policy and Supply Chain & Fees Policy had been approved subject to some minor amendment

C/18/41 The Committee had also recommended the Whistleblowing Policy for Board approval. The Board considered the Whistleblowing Policy and noted that no further amendments were required and approved the policy in its current form.

C/18/42 The Board questioned if the College has a Bribery Policy in place to sit alongside the Whistleblowing Policy and recommended that there is a specific policy in place to provide some additional assurances around Bribery and Fraud.

Action: The DP F&R to produce a Bribery & Fraud Policy to strengthen assurances around this within the College and support existing policies which are in place

C/18/43 The Committee had also been pleased to note that the Notification of Financial Status had been received from the ESFA, which provided assurance of the College’s financial status following the submission of the financial statements for the previous academic year.

C/18/44 Resolved: the Board noted the F&R Committee update

C/18/45 Resolved: the Board approved the Whistleblowing Policy

C/18/46 Resolved: the Board noted the Notification of Financial Status from the ESFA

AUDIT & RISK COMMITTEE SUMMARY

C/18/47 Summary report of the key activity discussed at the Audit & Risk Committee was considered. This included:

- An update from the internal auditors on the audits which had been received over the period since the previous meeting, this included an overview of each audit and any recommendations made as a result

- The approval of ICCA as internal auditors for a further year, following consideration of the performance indicators for the previous period. The DF&R reminded the Committee that this is their final year of reappointment and there will need to be a retendering/procurement process before a further period of engagement. It was suggested that this take place early in the new year (2019) and as previous is a joint process with the four Cumbrian colleges
- A progress report update which outlined progress made against meeting the recommendations of all previous internal audits. These are mapped to completion. The Committee had confidence that the recommendations were being managed appropriate
- A full and detailed update of risk management activity and actions in place

C/18/48 Resolved: The Board noted the Audit & Risk Committee update

GOVERNANCE & SEARCH COMMITTEE SUMMARY

C/18/49 Summary report of the key activity discussed at the Governance & Search Committee was considered. This included:

- Analysis of the Skills Audit with a view to identifying areas for development, from this a series of development activities will be arranged, either as part of full, planned, governor development sessions or optional sessions for members to attend as appropriate
- Approval of the statement to outline the arrangements for collecting the views of learners and staff which is required to be on the College website
- A review of Board and Committee membership to take account of actions arising from the recent development session and also to ensure that new members of the Board are placed on Committees suited to their skills and expertise
- Recommended that the Standing Orders be refreshed to take account of the changes in Committee members and to also allow for two vice chairs (Board) to be in place to assist with succession planning. A full version will be brought to Board in July for approval.
- Approval of the commencement of a recruitment process for the replacement post of DP F&R (as expanded on earlier during the Board meeting)

C/18/50 Resolved: The Board noted the Governance & Search Committee update

REMUNERATION COMMITTEE SUMMARY

C/18/51 Summary report of the key activity discussed at the Remuneration Committee was considered, this had been around the mid point performance of key postholders and at the present time there are no issues with performance. The performance against the college targets is regularly reported to Committee and Board meetings.

C/18/52 Resolved: the Board noted the Remuneration Committee summary

CONFIDENTIAL ITEM

Minutes of the Board meeting held 7.12.17

C/18/52 The Confidential minutes of the Board meeting were agreed as a true and accurate record and duly signed.

CONFIDENTIALITY

No items were noted as requiring to remain confidential.

ANY OTHER BUSINESS

There were no other items of business raised.

DATE OF NEXT MEETING

It was agreed that the next Board meeting should be Thursday 5th July 2018.

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

SIGNED:

NAME: (Chair)

DATE: