



**Minutes of the Meeting of the Corporation Board
held on 10th December 2009 at 4.15 pm**

Governors Present

Cllr Karen Afford)	External Governors
Ms Sue Carmichael)	
Ms Sara Carthy)	
Mr Tony Cearns)	
Mr Tony Cobain)	
Ms Claire Dove)	
Dr John Ritchie, MBE)	
Ms Vivienne Tyler (Chair))	
Mr David Wilson)	
Mr Adam Scovell		Student Governor
Ms Martha Harris		Staff Governor (Teaching)
Ms Sue Navarro		Staff Governor (Business Support)
Ms Maureen Mellor, MBE		Principal

In Attendance

Ms Marie Allen, MBE	Vice Principal Curriculum
Mr Mike Doyle	Assistant Principal Resources
Ms Sue Greenhalgh	Assistant Principal Curriculum
Ms Nancy Jenkins	Clerk to the Corporation
Ms Ann Lees	Assistant Principal Student Services and Support
Ms Irene Loh Lynn	Vice Principal Corporate Services
Mr Brendan Ruane	Vice Principal Finance and Resources
Mr Barry Sherriff	Assistant Principal Employer Services and Adult Skills
Mrs Nicki Stalker	Secretary to the Clerk

09.103 Apologies

Apologies for absence were received from Ms L Barry, Mr J Hyslop, Mr J Petrie, Professor G Pillay and Mr S Smith and for late arrival from Ms S Carthy.

09.104 Declarations of Interest

It was noted that Ms S Carthy and Ms M Harris had an interest in Item 3 (Appointments) and Senior Post Holders declared an interest in Item 20 (Remuneration Committee recommendations).

09.105 Appointment and Re-Appointment of Governors

The Board noted arrangements for filling current vacancies.

The Search and Governance Committee recommended Sara Carthy for appointment to the Board. As could be seen from her CV, Ms Carthy was a qualified and experienced Human Resource Management professional with wide experience at senior management level. The Board approved Ms Carthy's appointment for a four year term until December 2013.

Martha Harris was also welcomed to the Board as newly elected academic staff governor. She explained that she had been with the College for 6 years and worked within the Foundation Learning Faculty, based at the Walton Drop in Study Centre. Sue Navarro had been re-elected unopposed as support staff governor. Both staff governors were appointed for a term of four years until December 2013.

The Board also agreed to the re-appointment of Professor Gerald Pillay for a second term of four years until December 2013.

The Clerk read out a message from the retiring teaching staff governor, Joel Petrie, in which he passed on his best wishes to the Board and particular thanked the Clerk for her support, Louise Barry for her interest in the Disabled Staff Group and the Principal for her commitment for his work around the Commission for Disabled Staff in the Lifelong Learning Sector. Members asked for their appreciation of Mr Petrie's excellent service as a governor to be passed on to him.

Act: NJ

09.106 Minutes of the previous meeting

Minutes of the meeting held on 29th October 2009 were agreed as a correct record.

09.107 Matters arising from the Minutes

The Clerk's report on actions from previous meetings was noted.

09.107.01 Provisional Financial Outturn for 2008/09 (09.92)

Mr Cearns reported that the Finance, Estates and General Purposes Committee had discussed the issues around the Merseyside Pension Scheme deficit in great detail.

09.107.03 Criminal Records Bureau Checks for Governors (09.96.02)

The Clerk informed the Board that CRB disclosure forms would be sent out to Governors during the last week of the autumn term 2009. The Principal reported that there had been discussion in the sector about how CRB checking and Safeguarding were being inspected under the new Common Inspection Framework. The Board would be brought up to date in the near future.

Act: AL/MA

09.107.04 Current Significant Risks (09.98)

A student existence and eligibility audit would be carried out during the spring term by the Quality Improvement Team and would include Train to Gain programmes.

Ms Carthy joined the meeting at this point.

09.107.06 Social Return on Investment

The Vice Principal Corporate Services presented a report, explaining that College staff had met with the Vice-Chair, Claire Dove, who gave examples of how organisations could provide and measure social and environmental value to the communities they served. Discussion had taken place as to potential areas where social investment could be identified within College activities including procurement, business enterprise development and curriculum. Work would continue in the new year and would require staff training to continue the mapping process. The report was noted.

Ms Greenhalgh arrived at this point.

09.108 Risk Monitoring

It was noted that items on the agenda addressed a range of key risks particularly risks 12 (financial controls), 11 (capital projects) and 9 (curriculum planning and quality improvement).

09.109 Principal's Report

The Principal presented her report and drew attention to the government's white paper 'Skills for Growth' and its Skills Investment Strategy. It was clear that as well as the shift in funding for Adults, budget restraints and efficiency savings were expected for 16-18 students. The Strategic Planning event in the spring term 2010 would examine these issues.

A meeting had been held with the Learning and Skills Council Investigation Unit in respect of the whistleblowing allegation. The College had responded promptly to any requests from the LSC but the timescale for the LSC investigation was not known.

The Principal reported a number of good news stories of student successes and talents including activities celebrating Colleges' Week in November. In addition, a new LGBT (Lesbian, Gay, Bisexual and Transexual) student group had been set up by the Enrichment Team Leader with a rainbow logo for the group designed by College staff. Support for such initiatives was particularly important in the light of recent homophobic attacks in Liverpool.

09.110 Financial Statements

09.110.01 Financial Statements for Year Ending 31st July 2009 and Financial Statements Auditor Management Letter

In his report to the financial statements the Vice Principal Finance and Resources (VPFR) set out that the operating surplus for 2008/09 was £329,000 compared to £59,000 the previous year. Fixed assets had increased by £3 million, largely as a result of acquisition of the Roscoe Street site and completion of Phase 5b of the accommodation strategy. The Merseyside Pension Fund deficit had increased

slightly to £16.094 million. Net assets including pension liability were £34.9 million.

The FE&GP Committee had held an extensive discussion about the Financial Statements, in particular the implications of the deficit on the Merseyside Pension Fund and how this was to be reported in the accounts under FRS (Financial Reporting Standard) 17. The LSC had confirmed that the deficit had to be reported in the accounts but did not affect the College's financial health grading. The VPF&R had asked the College's bank how it regarded the pensions deficit in relation to the loan arrangements for Phase 5. It was noted that the pensions deficit was an issue for all colleges and the fact that the auditors did not raise this as a particular issue for this College was reassuring.

The financial statements auditors anticipated issuing an unqualified opinion.

The Board noted the contents of the financial statements auditor's management letter and approved the financial statements for the year ended 31st July 2009.

09.110.02 Letter of Representation

The content of the letter of representation to the financial statements auditors was noted and the Chair and Principal were authorised to sign it on behalf of the Board.

09.110.03 Student Union Annual Accounts and Report on Activities

The Assistant Principal Student Services and Support presented a report prepared by the Enrichment Team Leader. The budget for the Student Union remained the same as the previous year and members commented that the Enrichment Team of 4 staff offered excellent value for money.

The Student Union was continually developing new projects and this year was coordinating the V Talent volunteering project. Currently Liverpool Community College's progress on this project was very far ahead of that of other colleges involved, and the progress and development of the NEET (not in education, employment or training) students involved was excellent.

The possibility of turning the Student Union into a Social Enterprise was raised, although it was noted that this would be more difficult in FE than in HE.

The Student Union accounts for 2008/09 were approved.

09.110.04 Subsidiary Companies' Financial Statements 2008/09 and appointment of Corporation Board representative to attend the company AGMs

The financial statements for Liverpool Business Services Ltd and Strongdegree Ltd were noted and David Wilson was appointed to represent the Board at the annual general meetings of these companies. The possible need for re-branding of these companies was raised.

09.111 Accommodation Strategy

09.111.01 Canning Place Compensation Claim

The Board noted a report from the Principal on an offer from Grosvenor Estates in respect of the Canning Place site. It was agreed to accept the offer of £XXX.

It was noted that Liverpool City Council was required to be informed and Cllr Afford declared a non-pecuniary interest in this respect.

09.111.02 European Investment Bank Grant Support

The Vice Principal Finance and Resources presented to the Board a standard disclosure letter from Barclays Bank setting out terms and conditions of a grant from the European Investment Bank for £266,000 towards the costs of borrowing for the Phase 5c new Learner Centre in Roscoe Street.

It was resolved that:

- 1) the additional terms and conditions set out in the standard disclosure letter and their inclusion within the Facility Letter be accepted; and
- 2) the Vice Principal Finance and Resources be authorised to sign and return to the Bank a copy of the disclosure letter.

09.112 College Self Assessment Report 2008/09

Members considered the College SAR (Self Assessment Report) prepared by the Vice Principal Curriculum. An overall assessment grade of 1 (outstanding) for effectiveness of provision was proposed. Success rates were stable or improving. There had been considerable improvement in retention rates, indicating that the interventions put in place had worked. However, there had been a dip in achievement rates; therefore the main area for improvement was to ensure that achievement rates returned to the scale of improvement achieved in 2007/08.

The grades set out in the College SAR were approved.

09.113 Higher Education Strategy

The Vice Principal Curriculum presented the Higher Education Strategy prepared by the HE Manager in line with requirements of the Higher Education Funding Council for England. The HE Strategy fitted within the College's wider strategic plan. The accommodation requirements for HE programmes would be considered within the remodelling that would take place after completion of the Learner Centre.

The Board approved the HE Strategy for 2009 – 2012.

09.114 Financial Management and Control Evaluation

The Board received the Financial Management and Control Evaluation (FMCE) which had been submitted to the LSC by its 30th November deadline after detailed review by the Audit Committee.

Last year the College had graded itself 'Outstanding'. The overall framework of College control systems had not changed significantly since the previous year, but the overall grade had been amended from 'Outstanding' to 'Good' in view of the qualified audit of Train to Gain. Action had now been taken to address the issues raised in the audit.

The Board approved the FMCE.

09.115 Whistleblowing Procedure

The Vice Principal Finance and Resources put forward a revised Whistleblowing Procedure.

The new version was felt to be clearer. Members suggested a 'step by step' flow chart of the process as well as some consumer-testing. The updated procedure would be publicised to staff. Mr Cobain could provide a sample leaflet.

Act: AC/BR

The Whistleblowing Procedure was approved.

09.116 Student Numbers 2009/10

The Assistant Principal Resource Management presented a report detailing the situation regarding student numbers in each area of funding provision:

16-18 Learner Responsive student numbers were comparable in percentage terms with the previous year but currently short of the LSC target. The SLN (Standard Learner Number) value was above target so the funding target had been achieved; however the shortfall in numbers would affect target numbers for next year. Despite the above the College was bucking the demographic trend slightly in this area (by 2015 a 20% drop in 16-18 year old was expected in Liverpool and Knowsley).

Concerning Adult Learner Responsive Provision, the participation and SLN targets were ahead of that achieved last year. Of concern was that LSC targets would likely be overachieved if 2008/09 engagement patterns were repeated, meaning that payments would not be received for all students.

The College was well short its Integrated Employment and Skills (Post 6 Month Unemployed) engagement projects targets, but nevertheless compared well against other colleges offering this scheme. Seven Merseyside colleges were involved with this scheme, of which Liverpool Community College was providing 41% of the service. A number of events with Job Centre Plus and other partners had been held to attract students and increased take up was hoped for the new year. Governors suggested that, as employers, they might be able to offer assistance and requested further information.

Act: BS

09.117 Audit Annual Reports

09.117.01 Internal Audit Service Annual Report 2008/09

Members noted the clean bill of health provided in the annual report from the Internal Audit Service.

09.117.02 Annual Report of the Audit Committee 2008/09

The Board noted the Audit Committee's annual report.

09.118 Student Achievement, Retention and Success 2008/09

The Board received a report from the Assistant Principal Resources on achievement, retention and success on long qualifications. Previously retention had been a problem for the College, but this had improved significantly, increasing by 6% in 2008/09. In contrast, overall achievement had fallen by 2%. It was difficult to compare trends as the formula used by the LSC had changed. Underperforming courses would be looked at in detail, the aim being to raise achievement rates next year.

The report was noted and governors congratulated staff on the advances made in improving retention. A report on the risk based approach to managers underperformance would be brought to the next meeting.

09.119 Current Significant Risks

Members noted six current significant risks, together with their risk score, existing assurances and the actions either taken or planned to mitigate the risks.

09.120 Minutes of Committee Meetings

Minutes of the Search and Governance Committee meeting of 25th November 2009 were noted.

Minutes of the 18th November 2009 Audit Committee and 24th November 2009 Finance, Estates and General Purposes Committee would be brought to the next meeting.

09.121 Confidentiality of Items

The following items, or parts of items, were deemed confidential:

- Item 7 Extract from the Principal's report regarding the LSC investigation
- Item 8.1 Financial Statements Auditor's Management Letter
- Item 9.1 Canning Place Compensation Claim
- Item 15.1 Annual Report of the Internal Audit Service

09.122 Confidential Item: Minutes and Recommendations of 2nd December 2009 Remuneration Committee

Confidential minute held separately by the Clerk.

09.123 Date and Time of Next Meeting

The next meeting will take place on Tuesday 9th February 2010 at 4.15pm.

The meeting closed at 6.12 pm.