

The City of Liverpool College
Corporation Board meeting held on
9th December 2015 at 4.30pm

Present: Elaine Bowker (Principal), Martin Carey, Sue Carmichael, Clare Crowther, John Denny, Peter Grieve (Chair), Lawrence Kenwright, Viv Lacey (Vice Chair), Ian Pollitt, Stephen Sankson, Peter Tavernor

In attendance: Angela Cox (Deputy Principal), David McIntyre (Deputy Chief Executive), Simon Pierce (Vice Principal Curriculum), Christine Lenderyou (Clerk to the Corporation)

Apologies: Louise Barry, Trudy Burrows (VP Business Development), Gemma Charters, John Nolan, Phillip Powell,

Clare Crowther gave apologies for early departure. Martin Carey gave apologies for late arrival.

Declaration of Interests: the Principal declared an interest in item 8 (Senior Post Holder Targets).

15. 123 Appointment of governor

Governors discussed the expression of interest from Mr Lawrence Kenwright and were in agreement that he would be a valuable appointment both in terms of his commercial experience and his knowledge of the Liverpool City Region's key priority areas, particularly the visitor economy. Governors appreciated the Clerk's efforts to bring vacancies to the attention of under-represented groups.

Mr Kenwright was appointed as a governor for a period of four years and was invited to join the meeting.

Mr Kenwright joined the meeting at this point.

15. 124 Appointment of Chair and Vice Chair

Mr Grieve and Ms Lacey left the meeting for the duration of this item.

Mr Grieve had been nominated by Mr Ian Pollitt with the nomination seconded by Ms Sue Carmichael. Ms Lacey had been nominated by Dr Peter Tavernor with the nomination seconded by Mr John Nolan. No other nominations had been received by the Clerk.

The Principal and Clerk endorsed the nominations, saying that Mr Grieve and Ms Lacey had both made an outstanding contribution to the leadership and governance of the College, investing knowledge, time and support as well as offering challenge. The Board approved the appointments of Mr Grieve as Chair and Ms Lacey as Vice Chair for a period of two years from 10th January 2016.

In response to a query from a recently appointed governor the Clerk confirmed that the Board had acknowledged links between long serving Chairs and weak governance and had agreed in January 2014 that the Chair and Vice Chair should not ordinarily serve more than four years in either post and that succession would need to be considered going forwards; the AoC had previously facilitated training for aspiring Chairs and the Clerk asked for any governors with an interest to notify her.

Mr Grieve and Ms Lacey re-joined the meeting and were informed of the Board's decision.

15. 125 Welcome

Mr Kenwright was welcomed to the Board with and introductions were made.

15.126 Appointment of Corporation Board Representative to attend the Annual General Meetings of First 4 Skills and Liverpool Business Services.

The Clerk advised that following the retirement of Mr David Wilson, an additional director was required for Liverpool Business Services. Mr Stephen Sankson indicated he would be willing to carry out this role.

Mr Peter Grieve was appointed by the Corporation Board as its representative to attend the AGMs of First 4 Skills and Liverpool Business Services; the meetings would directly follow the Corporation Board meeting.

15.127 Confidential Actions from Previous Meetings

There was only one action which was covered by agenda item 8.

15.128 Confidential Item

The Executive and Ms Price joined the meeting at this point.

15. 129 Performance and Quality Task and Finish Group

The PQTFG had met immediately prior to the Corporation Board meeting and had been chaired by Dr Tavernor.

Maths and English had been identified as a key focus of the Group by the Board. The Group had discussed the presentation from Mary Roberts at the November meeting and the assurance they had been able to take that she had identified the main issues and the actions necessary for improvement which the Group summarised as:

- Ensuring the right students were on the right course and at the right level to support student success.
- Consistency required across the organisation; inconsistency led to marked differences in outcomes.
- Having an effective strategy for the recruitment of English and maths teachers; English and maths posts were particularly difficult to appoint to in light of the increasing demand across the sector.

The Director of Learning had attended the meeting and improvement strategies had been discussed. [removed for confidentiality] Mr Kilkenny had also outlined the quality processes in place, including RAG rating by the Quality team to identify areas of risk.

Stewart Quayle, Head of School for Construction and Built Environment had also attended the meeting [removed for confidentiality]. The Board agreed that Mr Quayle should be invited to a future meeting of the PQTFG to provide an update on the effectiveness of the strategies he introduced.

The Chair thanked Dr Tavernor and the governors who attended PQTFG for their detailed scrutiny.

15.130 F4S – presentation from Sue Price, CEO of F4S

Ms Price recapped for the Board the final position of F4S for 2014/15 and the position so far in 2015/16. [Removed for reasons of confidentiality]

15.131 Joint Venture

[Removed for reasons of confidentiality]

15.132 Ofsted feedback

The Principal stated that she was disappointed with the overall outcome of the inspection. Governors were already aware of the grades and high level feedback; the Principal gave a presentation on the outcomes and the actions in place to address these.

The key weaknesses had been highlighted as follows:

- Progress on English and maths
- SRs for 16-18 at Level 2
- City 6 outcomes / SRs were still below national rates, despite the progress made
- Inconsistent teaching, learning and assessment
- Work Based Learning
- Performance management
- Pace of improvement

The key strengths had been highlighted as follows:

- Adult provision
- High needs provision
- Vocational study programmes at Level 3
- Improvements in the WBL SR
- Support for students and the PREVENT agenda
- Responsiveness to local needs

The Principal advised that the Executive had spent some time working on focused action plans which supported thematic improvements, including: City 6, English & maths, WBL, Quality, MIS and Health and Safety.

Feedback on study programmes in inspection had been mixed and some teaching and learning had not been strong enough even though it was the same teachers teaching adults (which had received a grade 2). 16-18 Level three was above national rates, but Level two and City 6 were not yet at national rates, although improving. City 6 had improved by 19

percentage points but was still below national rates, and this had been discussed extensively in the August meeting of the Board focused wholly on City 6 results. English and maths were below benchmarks but governors understood the significant challenges of providing English and maths to 4,500 students.

Work Based Learning had shown 98% of employers were satisfied with provision. There had been a 14 percentage point improvement and WBL was now nearly 10 percentage points above the national average for timely so it had been disappointing this had not been recognised by the inspection grade. Progression had been criticised but this was led by the employer. There was a balance between satisfying Ofsted's requirement to see evidence of learning with the employers' requirement to see on the job competency. The target was to double volumes but there were some delivery issues and a commensurate increase in quality were being addressed.

[removed for reasons of confidentiality]

Quality assurance had been effective and progress was clear but it was evident the pace of quality improvement needed to be accelerated further and this had been examined in the earlier PQTFG meeting. Performance management frameworks needed to support this acceleration and would be reviewed. The Board were assured that the vast majority of staff were hardworking and positive in terms of contribution. The capability process would be revised to include in-year indicators and enable swifter intervention. There was also lots of targeted staff development activity planned. Teaching, learning and assessment advanced practitioners would be under the Director of Learning rather than dispersed across the pillars to provide a greater focus on improving teaching, learning and assessment.

Health and Safety had also been raised as an issue by inspectors, although there had been some incongruities in the feedback provided when challenged by the Chair and the Principal. The Executive had sought additional support from external advisors who would conduct further reviews but had mostly witnessed good practice although there were some housekeeping improvements required.

Attendance and punctuality remained an issue across the College. For comparison, it was apparent that most universities didn't implement policies and schools were only getting to about 93% in Liverpool with financial penalties being applied so it was clearly a challenge for the College. The Principal made the point that this meant the College had to be more creative, which governors appreciated. Teachers were held to account for student attendance. There was a particular focus on Level two from the VPC and Deputy Principal. Those students who had not achieved 5 GCSEs A-C were in a sense more vulnerable to a lack of engagement. Students in the College were really well behaved but where behavioural problems happened then usually they were within Level 2. English and maths were also Level 2.

Governors acknowledged the significant improvements in City 6 and agreed with the Principal's assertion that it was essential to maintain momentum in order to get success rates to the national average; [removed for reasons of confidentiality] The Principal advised that mock exams, retention, on-track students, attendance, external consultants would all provide in-year indicators of success rates which would inform the Board and enable an informed decision.

Retention was identified as an issue for A2 last year as those students who were retained achieved well but it was a mixed picture at AS. Governors were advised that an early indicator would be retention which was essential as the College wouldn't make the required progress by increasing achievement alone. Governors were able to take some assurance

that retention was strong at his point. The RAG rating report produced by the Director of Learning was an effective tool for identifying at risk areas. Governors agreed that by February they would be able to have an informed opinion about predicted success rates for City 6, with the Principal advising that there would be some end of term milestones.

A long debate took place about how the actions to accelerate pace would bring about the desired outcomes, and the Principal summarised the high level actions as follows:

- Changes to English and maths as per the revised action plan
- Quality function to model their operation more on Ofsted and provide as much challenge as support
- [removed for reasons of confidentiality]

The Board thanked the Principal for an informative and comprehensive presentation which gave considerable assurance that the Executive team had identified the required actions necessary to drive improvement. Governors asked for clarification on some points including:

- Morale of staff – the Principal said that understandably those who had worked hard were disappointed with the inspection outcome and it was important that staff looked forward, while acknowledging how far the College had come.
- Public reaction – the report had not yet been released, but the College had prepared a response. Student numbers had not been affected previously as both learners and employers recognised good outcomes. The stakeholder feedback during inspection had been excellent and this had been reflected in the draft report.
- Impact on area reviews – as yet unknown but the reviews seemed to be focussing on financial sustainability and efficiency. The Principal had challenged that area reviews were about an assessment of need as studio schools, school sixth forms and university technical colleges were not included.

[removed for reasons of confidentiality]

15.133 Health and Safety Report

The report was taken as read. The Board were assured that the Chair had thoroughly reviewed Health and Safety and would meet with the Health and Safety Manager to simplify the report going forwards.

Governors questioned how they could compare the College to national averages and the Chair advised that this was not how Health and Safety was monitored but that the College would compare with itself year on year which was industry best practice but not many colleges did this. The Board were informed that they needed to see constant improvement and that any issues were dealt with.

Governors referred to the earlier Ofsted inspection and challenged on whether there had been any changes as a result. The Chair said there were some housekeeping issues and a necessity to ensure actions identified through audits were recorded as implemented. The Board were assured that there were examples of really good practice too. The DCEX advised that a full Health and Safety audit had been undertaken which had resulted in some recommendations and an action plan but overall the framework was robust and had been examined by various parties.

The Chair summarised by saying there needed to be continuous reinforcing of individual responsibility and closing loop on actions with actions being assigned to people and a systematic checking of actions being implemented rather than just checking when the next audit was carried out. Governors were informed that the number of incidents had reduced in recent years.

The Board were able to take significant assurance from the discussion but agreed it was essential that Health and Safety was reported on in a transparent and simple way to ensure effective Board oversight.

15.134 Financial information.

The DCEx gave a detailed presentation based on the month 3 management accounts. Key points were:

- Some significant income shortfalls to be dealt with. Presentation showed how they would be tackled with a combination of further recruitment and cost cutting.
- College £1.2m short of Year To Date (YTD) EBITDA / cash-based operating surplus, ...
- College shortfall largely due to income not materialising against loans, income generation and apprenticeships.
- Staff costs £278k more than YTD.
- The Executive would need to take costs out where income didn't materialise.
- Apprenticeships income reflected in YTD figures had been prudent and only included income for students enrolled. The plan was still to double numbers but it was a risk and may require recovery planning.
- If a growth case for apprenticeships was not successful then would need to cut cost base as the current allocation would run out in February. It was clarified that the College would deliver to contract and that the shortfall was against the growth planned for. If the growth case was not successful there was some capacity within F4S.
- [removed for reasons of confidentiality]
- Performance ratio was highlighted as this was affected by the income and expenditure figures.
- The debt service cover was tight and this was being managed by reducing capital spend.
- The cash position was not as healthy as it was as savings were end-loaded in year and the shortfalls in income were affecting performance. Spring was a notoriously difficult time for cash flow but the latest forecasts suggested that we would still be able to maintain a positive cash position.

Governors appreciated the clear and concise presentation and asked for clarification on some points such as whether the surplus in the budget would be achieved. The DCEx advised that the forecast was half a million below the budgeted EBITDA and that the bank covenants would be met on the basis of this forecast, however there were some risks, notably [XX] as previously outlined and the volumes of apprenticeship activity referred to within the presentation. A cash based operating surplus of £3m was still forecast for the Group. In response to the assurance provided in the financial presentation the Vice Chair sought clarification and assurance on the worst case scenario in relation to cash flow and the bank covenants. In response the Deputy Chief Executive clarified that the covenants were not directly driven by the cash position which had deteriorated from £4m to £2m at the lowest point in the year. However based on the current forecasts the covenants would still be met.

The Board also questioned sensitivities and whether the significant variance three months in meant a more conservative reforecast was required. The DCEx advised that there were some assumptions growing apprenticeship income or taking out costs. The covenants would be protected. Governors agreed that the next three months were critical. The DCEx

assured the Board that the situation would be monitored closely and action taken as required.

Governors referred back to the earlier discussion around a joint venture and questioned whether this would have a positive impact. The DCEx advised that it would be positive but hadn't been assumed in the budget and neither had the successful ESF bid; the outcome of a second bid would be known soon. The College was also taking a management fee from ESF as an accountable body.

Governors emphasised that it would be a difficult year given the significant cuts in funding but were confident that the financial situation was being monitored closely with actions and mitigations clearly identified.

15.135 Performance Dashboard

Most elements of the performance dashboard had been covered through other items. The new performance dashboard reflected the requests from governors at the session facilitated by the Education and Training Foundation in the summer. Governors agreed that the report was easier to read but needed some refinement.

The Board were pleased to note that it was likely the end of term target for retention would be met and this represented an increase on the previous year (1%). Attendance was still a concern. The Principal suggested at future meetings the dashboard could be presented on the screens as this would enable governors to drill down in detail to any areas of concern. Governors asked whether the Principal received that information on a daily basis and were advised by the Deputy Principal that it was not in the same format but there was access to live reports and added that the new dashboard would flow through to all levels of the organisation.

Dr Tavernor left the meeting at this point.

15.136 Financial Statements

The Chair of the Audit Committee advised that the Financial Statements had been reviewed at the Audit Committee and there were no significant issues. The Financial Statements auditors, the DCEx and the Principal had been able to answer any questions from the Committee with confidence.

The Board approved the Financial Statements on the basis of the assurance from the Audit Committee and that they were consistent with the information which had been received throughout 2014/15.

The annual report of the Audit Committee which would accompany the Financial Statements to the Skills Funding Agency was also approved.

15.137 Information Security.

The Audit Committee had reviewed the policies and recommended their approval to the Board. Board agreed that Hill Dickinson should review the policies and approval delegated to the Chair and Vice Chair on the basis of a positive review.

15.138 Confidential Items

The following items would remain confidential either due to commercial sensitivity or because they related to third parties/individuals:

- Items taken under confidential section
- F4S Update
- Joint venture
- Some aspects of financial information

The Chair thanked everyone for their time and drew the meeting to a close.