The City of Liverpool College
Corporation Board meeting held on
18th May 2016 at 4.30pm

Present: Louise Barry, Elaine Bowker (Principal), Sue Carmichael, Clare Crowther, John Denny, Peter Grieve (Chair), Viv Lacey (Vice Chair), Lawrence Kenwright, John Nolan (staff governor), Ian Pollitt, Marcel Santa (student governor), Peter Tavernor plus Lydia Field via teleconference.

In attendance: Angela Cox (Deputy Principal), Simon Pierce (VP Curriculum), Nicola Kumar (Strategic Development Manager), Christine Lenderyou (Clerk to the Corporation) plus Ms Sue Price (CEO of F4S) and Ms Ann Monk (Group FD) for part of the meeting.

16.29. Welcome and Apologies (agenda item 4)

Apologies had been received from Dr Carey and Mr Sankson. Ms Crowther had given apologies for early departure. Ms Barry had given apologies for late arrival.

The Chair welcomed everyone and explained that the agenda would be reordered to assist the flow of discussions and to accommodate those who would not be staying for the entire meeting.

16.30. Declarations of Interest (agenda item 5)

Mr Kenwright declared an interest in the transformation items and would be required to leave the room for the duration of those items.

[Section removed – relates to third party]

The Principal declared interests in the recommendations from the Remuneration and Succession Planning Group.

The staff and student governors would join the meeting after the confidential section.

16.31. Recommendations from the Remuneration and Succession Planning Group (agenda item 1)

Section removed.

16.32. Recruitment of VP Business Development (agenda item 3)

[Sentence removed] The role was currently vacant with responsibilities shared between the Executive team. The Board were acutely aware of the demands on the Executive which had been exacerbated by intervention processes and Area Based Reviews, although the incoming Deputy Chief Executive would be joining the team in July and had already given some of her time to the College. The Board agreed that it was essential for the team to be strengthened, particularly given the College's direction of travel and the latest strategic plan.

The Board approved the following:

- to recruit to the role of VP Business Development, in line with the existing SPH structure;
- to delegate authority to the Principal to finalise with the Chair and/or Vice Chair arrangements for the recruitment process for the position of VP Business Development.

16.33. Transformation (agenda item 2 and 13)

The Principal outlined that by 16/17 almost £12m in cumulative savings would have been achieved through the transformation programme since its launch in 2013.. As a significant majority of the savings related to staffing, there was some tension around the programme with the trade unions but the transformation programme had underpinned the College's financial recovery in 2013/14 and had been recognised by the FE Commissioner's team for its impact.

The size of the reduction in funding going into 15/16 (£7.5m) had a negative impact on the staffing ratio commonly used to benchmark efficiency, although this would improve when the realignment of the College's cost base was felt for a full year: 15/16 would only see the partial impact due to the timing of the changes made.

The Principal drew the Board's attention to the fact that the programme would be expanded in 15/16 and 16/17 to include a focus on growth and commercial activities under the existing governance and programme management arrangements. The paper outlined the current portfolio of projects within the programme. In addition to the updates on live projects contained within the paper, the Principal highlighted the following:

- [Section Removed]
- Achievement coaches – governors were asked to note that the achievement coaches were popular with students and had been recognised in the latest Ofsted report. Every effort would be made to retain talented staff and limit redundancies through redeployment into essential roles, however the College must cut its cloth in accordance with the need for financial stability and safeguard the student experience. Reductions in this area would protect delivery elsewhere.
- Business planning – 15/16 had seen a reduction in curriculum staffing following consultation however the increase in class sizes and a shift to wider learning meant that there would be the need for continued rationalisation of the College's academic staffing against delivery hours. The VP Curriculum was reviewing this in light of the work done on business planning and would take this forward following the outputs of Curriculum Planner, a tool which provided visibility of hours and staffing on the academic side. The Principal warned that it might be necessary to review this following the enrolment period and/or Day 42 dependent on student numbers, but it was critical to minimise disruption to students in-year.
- Teacher Ed and Curriculum Team Leaders – the College currently benchmarked favourably with remission and was reviewing its practice ahead of 16/17 in light of discussions that had taken place as part of the Area Based Review (ABR).
- Employability JV – the Board had received papers on this previously. Following the departure of the Deputy Chief Executive, the Principal was leading on this and had asked the Group FD to review the due diligence.
- [Section removed]
- The Principal reiterated that commercial ventures and opportunities around growth would be subject to the same robust governance and decision-making processes as the efficiency measures within the transformation programme. This had been a recommendation that had emerged during the FE Commissioner visit and the SLT had agreed that the programme should be expanded to include commercial and growth as a parallel focus to efficiency and improvement, providing support and challenge and increased visibility internally.

Ms Barry joined the meeting at this point while Mr Kenwright was asked to leave the meeting for the remainder of the item. It was also emphasised that Mr Kenwright had not received the same reports as the rest of the Board and had received redacted versions instead owing to a conflict of interest.

The second part of the transformation paper concerned the disposal of the Bankfield site. Governors were reminded the disposal of Bankfield had been part of the long term transformation programme due to the need to rationalise the College's estate but it had not been possible to do so earlier due to the land value and book value being too far apart whereas currently they were much closer. Signature Living, the property development group of which Mr Kenwright was the Chairman, had submitted an initial expression of interest for an unconditional offer [part of sentence removed]. The Principal and Chair emphasised that there was a duty to secure the best possible deal for the College and that good governance dictated that Bankfield be placed on the open market, however, Signature Living's offer would be used to inform the starting position.

An in-depth discussion took place with the following key points made:

- In addition to the College's current financial difficulties, F4S performance was impacting on group cash flow and the group's outturn position. The College's was required to repay the £2m Exceptional Financial Support (EFS) from the Skills Funding Agency (SFA) from August 2016 over a period of six months.
- The cash flow situation was demanding a disproportionate amount of management time.
- Timing was key and any disposal of Bankfield would have the greatest impact if it could be achieved in-year.
- It was likely that the site would be worth more with planning permission obtained, but this would extend the timescale beyond 31st July 2016 and it was felt that easing the cash position would bring greater benefits to the College in terms of freeing up resource. One governor raised the question of whether by imposing a narrow deadline in terms of timescales this would restrict offers but the College would take advice from the property agent appointed on this front.
- The Clerk had taken independent legal advice regarding the governance aspects of the decision and next steps and reported that:
    - Governors needed assurance that independent expert advice had been sought regarding maximising the College's position in the event of a sale;
    - The property was placed on the open market
    - Any conflict of interest for Mr Kenwright should be declared and managed (i.e. by excluding him from discussions and relevant reports) but the conflict of interest was distinct and contained to one issue;
    - The Board should be assured that the SFA would not be likely to oppose the sale.
- The Principal had taken initial advice from two agents; governors with relevant expertise highlighted the importance of choosing an agent well versed in residential development given the current market and would be happy to provide further advice outside of the meeting.
- The Principal had been advised that the property could go on the market with or without conditions. The agents had declined to advise a sale price suggesting that the best way forward was by giving advice to market and then maximising the College's position throughout the process.
- Feedback from the agents suggested that the preferred timescale was tight, but achievable; this was endorsed by governors with knowledge of both land sales, and college disposals.
- Other considerations included relocating some ESOL provision and SharEd; [Sentence removed]. ESOL provision would be relocated before the start of the year so as to ensure that there was no disruption to students as a result.
- The SFA were aware of the potential disposal and had raised no objection. Some pay back would be required on a grant received from the LSC but this was believed to have been used across the estate and work was ongoing to confirm the final position.
- [Sentence removed]

Governors discussed the recommendations in the paper which included agreeing to the appointment of a property agent to advertise the potential sale of Bankfield with an asking price of £2m and delegating authority to the Principal and Chair to progress with the potential sale of Bankfield up to the point of agreement of the successful bidder. The Board were extremely conscious of the risks around the financial recovery of the College and the need for the College to be able to act quickly to ensure long term security. Therefore, in order to secure the College's position, the Board approved the sale of the Bankfield site to be progressed by the Executive team without the need for further Board ratification subject to the relevant legal, procurement and governance protocols being adhered to.

Mr Kenwright re-joined the meeting.

16.34. First 4 Skills – Update from F4S CEO – Sue Price (agenda item 12)

The F4S CEO delivered a presentation which included actions and mitigations which were intended to address the key issues to underpinning the performance of F4S, which was having an adverse impact on the group's financial situation.

Finance

The F4S CEO highlighted the range of final outturn positions, explaining that although she anticipated a break even position, she could not guarantee this as the reporting information continued to move; a lot of effort had been dedicated to meeting with people from SharEd to understand the variability of reporting. Key points were outlined as:

- The business was performing poorly against all key financial indicators.
- The outturn was anticipated to be break even (best case: £4k; worse case: -£302k).
- The business would stay cash positive until periods 11 & 12 which moved to a cash negative position based on the worst case scenario. Further work was being undertaken to check this.
- The F4S transformation programme had targeted savings of £1.5m in year and had so far secured £1.18m savings with £2.05m annualised savings to be achieved by the end of year.
- Large amounts of new business had been won which would position First4Skills well for the introduction of the Apprenticeship Levy. Combined with the removal of a significant number of posts, the F4S CEO believed the position was improving but the First4Skills team were reviewing the requirements to support potential growth the following year.

The Principal asked the F4S CEO to confirm whether the new business and reduction of posts was included in the potential outturn figure of £4k and was advised this was the case.

The F4S CEO recapped the mechanism by which F4S received agency funding and how it related to the number of learners and their achievement. She highlighted the following as key contributions to poor performance:

- Primary reason for financial under-performance was that the number of starts was not hitting targets (target: 4105, actual: 2449 - 60% and Sub-contracted starts target 1683, actual 769 - 46%).
- Too many early leavers (over 1000 leavers prior to start of year with 2015/16 end date – 30% drop off rate)
- Too many students past planned end dates

Governors' attention was drawn to the fact that one third of F4S' starts in the last year had been with sub-contractors. Starts with two sub-contractors had been frozen over concerns regarding quality. Two large sub-contractors had gone into administration. The F4S Board the following day would be asked to consider approving a further three sub-contractors which could result in May starts. This had not been factored into the figures previously outlined and had the potential to provide some mitigation around the outturn position.

The F4S CEO reminded the Board that apprenticeships must cross two academic years as they were a minimum of 366 days in length; learners could not be completed earlier as it would mean F4S would be in breach of funding regulations. The drop off rate had reduced from 38% at the beginning of the year to 30% and was continuing to reduce but not yet to the extent the F4S CEO wanted. There were a number of learners who could still complete meaning funding could be drawn down for achievement, but the F4S CEO stated that this had not been included in the figures previously outlined. The Principal underlined that where learners were past their planned end date, they were unfunded; as F4S was no longer receiving monthly agency payments in respect of the learners, it cost F4S money to support them.

The F4S CEO explained that because there were 335 learners past their planned end date, the occupancy gap was reported as lower than it would be if those learners had completed. If the number of learners past their planned end date reduced, the occupancy gap would increase and the current caseload figures for assessors would be lower. It was essential to ensure that more learners did not slip into the unfunded category. The Principal challenged that even with full occupancy, a further 112 learners bringing an average of £4k funding would not make a sufficiently positive difference to the business' financial situation, indicating that staffing levels remained too high for too long.

The F4S CEO assured the Corporation Board that staffing levels were being managed closely and balanced against growth with corporates over the next few months; the recruitment freeze would continue unless sufficient business had been won to support additional posts.

Governors challenged around "bad business" and the need to set clear expectations with employers as one particular large corporate had a disproportionate number of early leavers although this wasn't consistent across their whole contract. Governors asked whether penalties could be applied to contracts to minimise or mitigate this but were advised that due to the competitive market place, it was not realistic to do so. The F4S CEO had requested P&L information for all corporate clients to enable her to make decisions regarding which business should be retained which would be provided by SharEd; the finance business partner was working on this. Governors questioned how risk was being managed in relation to the large corporate with the disproportionate number of early leavers. The F4S CEO confirmed that this was captured in a detailed risk register which was reviewed at Executive level. The F4S CEO was also ensuring the message was being relayed to people directly involved in delivery and to the corporate clients.

Quality

The F4S CEO highlighted the following points:

- Too many early leavers (total 1,120). Carry in from previous year had been 1,000.
- Too many apprentices past planned end date (531 total 335 F4S direct delivery).
- Too many apprentices not achieving functional skills (overall pass rate 79% English, 76% ICT and 56% maths), although performance had improved month on month.
- The poor achievement for Functional Skills was putting the 70% Success Rate target at risk; measures had been introduced such as allowing learners to sit a paper exam if they had failed two electronic exams, with every learner also having an ICT assessment to identify barriers.
- 70% was the best possible outturn and was currently 69.89%. The F4S CEO was challenged on the probability of this and agreed that 70% was unlikely as not all learners would achieve. If 90% of remaining leavers achieved then success rates would be the same as last year: there was a clear risk in respect of quality improvement.
- Improvement plan in place to secure a 50% reduction in apprentices past planned end date – impact to date is 10%. Target 3% of occupancy but currently stood at 9%. The Principal stated

that the best private training providers had no more than 2% of learners past their planned end date.

- Last month 30% of learners past their planned end date achieved but this needed to improve further.
- Improvement plan in place to secure a retention rate of 80%, impact to date was 89%.
- Action to address poor achievement rates has been implemented.

There had been an improvement in the data being received from SharEd with reporting that enabled better monitoring of progress. Functional skills was now being delivered at the beginning of a programme which supported retention and achievement. Every single learner journey was being reviewed.

Risks

The F4S CEO stressed that she was very clear on the risks F4S's current performance presented to the group. Key risks were listed:

- F4S's weak financial performance would impact on the Group year end position and could cause an adverse variance to the budget submitted to the SFA in January; the movement within consecutive forecasts may lead to questions over credibility.
- Implications of not meeting the conditions as part of the Financial Notice of Concern and the potential for further intervention / adverse outcomes of Area Review
- Declining success rates and the impact on securing a positive inspection outcome. A poor Ofsted outcome could result in the SFA removing the contract although a grade 4 was not anticipated. F4S was continually striving to improve quality and the F4S CEO assured governors that she would be able to demonstrate the impact of changes since the last inspection and had benchmarked against other private training providers in a similar position.

Opportunities

- The volume of large employers was increasing each month and positioned well to attract more levy paying employers.
- The business already secured would result in growth next year.
- F4S was one of the biggest providers nationally and had a good reputation with employers.
- Opportunity to work more closely with the College on LEP funded opportunities.

The Board were in agreement that the position was extremely disappointing with significant implications and the lack of certainty over the likely year end position was a pressing concern.

In response to a challenge over clarity of mitigations and accountability, the F4S CEO referred governors to the report which accompanied her presentation. Clarification was also sought on the strategic priorities outlined and how they would be met, with the F4S CEO confirming that specific KPIs were in place, referring governors to the more detailed report which included graphs and success rates.

The F4S CEO was asked to attend all future case conferences with the Principal as the performance of F4S was impacting severely on the College's compliance with the Notice of Concern (Financial Health).

Action: SP

Ms Price left the meeting at this point.

16.35. Minutes of Previous Meeting (agenda item 7)

The minutes of the previous meeting were approved as a true record, although as a consequence of them incorporating the strategic planning event held on the same day, they were extremely lengthy.

16.36. Outcome of Actions (agenda item 7.1)

The actions report was noted with actions confirmed as ongoing, complete or covered by the agenda.

The Board agreed that action 15.39 had been superseded by the ongoing evolution of the performance dashboard.

The Chair highlighted that an action should be added to arrange additional meetings to ensure that the Board were fully up to date with the ongoing intervention processes and Area Based Reviews.

Action: CL

Mr Nolan joined the meeting at this point and Ms Crowther left the meeting during the next item.

16.37. Finance (agenda item 9)

The Board were reminded that since the departure of Stella Wride, Stephen Wagstaff had been acting as interim FD. More recently he had acted as the most senior finance professional in the organisation during the brief period between the former DCEX's departure and the arrival of the new Group FD. Mr Wagstaff had spent a great deal of time managing the cash position. Unfortunately, Mr Wagstaff had recently had to take leave owing to a bereavement in his immediate family. Ann Monk had now taken up post as Group FD and was introduced to the Board.

The Board were informed that the ten key parts of the recovery plan had almost all been completed or where it had not been possible, appropriate alternatives had been undertaken. [Sentence removed] Some corrections had been required for NI and pension contributions.

The Group FD highlighted her immediate priorities would be delivering the latest management accounts to the Principal on 23rd May and these would need to be with the SFA two days later; the deadline could not be missed or the College would be in breach of the conditions attached to the Notice of Concern. In addition, a very detailed recovery plan was being produced which would support a more robust prediction of the end of year outturn; this would need to be with the SFA by the end of the month. The actions within the original recovery plan would be carried forward into the revised version, with additional actions included to support the delivery of the 16/17 position. Actions would focus on achieving income mapped against the high level budget, further reductions in expenditure across staffing and non-staffing lines and key ventures including the potential sale of Bankfield and disposal of other assets. The Principal, Group FD and Strategic Development Manager had met with the SFA earlier that day to discuss the recovery plan and what the agency would want to see in order to enable them to monitor the progress being made, and this would be incorporated into the revised recovery plan.

The budget for 2016/17 was being produced. A very prudent view was being taken in respect of supporting assumptions on income and expenditure and these were linked back to the recovery plan which would be used to monitor progress throughout the year.

The Principal highlighted that the College was currently £0.5m down on income against the mid-year review. However the growth case for apprenticeships had been successful and should enable a further £400k of income realised. Income had also been affected by less HE students and student loans than planned. The VPC added that some HE students had not attended for their third term. Overall, income should get to the level in the revised budget. However, because the starting point had not been accurate, the position on expenditure had worsened with an additional £0.5m deficit, leading to a £2m deficit for the College. Combined with F4S not delivering a £1.5m donation as planned, this would mean a cash based operating deficit of approx. £3.5m overall. Staffing costs were higher than planned as a result of the inaccuracies referred to earlier, but continued to reduce month by month as the impact of the transformation projects and recruitment freeze took effect. SharEd was on target to make the savings required. The Group FD would continue to unpick the finances and produce detailed forensic feedback; the next quarterly reforecast would take place at the end of month nine.

The Board understood the severity of the situation and the implications it had for the Notice of Concern (Financial Health), but were reassured by the recent strengthening of the finance team and the actions taken to date. Initial forecasts for 2016/17 showed a significant surplus due to the costs being taken out in the current year and increased security around income. Governors advised the Group FD that they would expect to receive assurance that controls were in place and forecasting was credible going forwards.

Ms Monk was thanked for her time and left the meeting at this point.

16.38 Update on intervention processes (agenda item 10)

Two case conferences had been held do far, with the Chair and Vice Chair attending as well as the Principal. At the latest case conference, one of the FE Commissioner's team had fed back the recommendations from the recent visit. These had moved from college led recovery to college led recovery with conditions following the initial feedback on the last day of the visit. Governors acknowledged that the SFA and FE Commissioner would have concerns around credibility of forecasting given the difficulties that had been experienced and that their risk assessment would flag that the College had now been referred to the FE Commissioner twice. The actions taken to date, the clear impact of these and the strengthening of the finance team should provide some assurance from the College and governors were monitoring the situation closely.

The Board were clear that a robust and accurate recovery plan was absolutely critical and would support the Board in monitoring progress against key milestones to ensure the financial recovery of the College. Repaying the £2m EFS within the agreed timescales would also be seen as a key indicator in the College's financial recovery. The ultimate sanction would be for the College to be placed in administered status. While the Board remained confident that 2016/17 would see a considerably improved situation given the actions taken, there was also a need to evidence that quality was not affected by the difficult financial situation. Discussions had taken place with the SFA regarding the need for a full picture and consideration was being given as to how to best provide this assurance at each case conference. The Board expected the Executive to continue to deliver on improving trends in quality and outcomes: the financial situation could not be allowed to impact with detriment to the student experience.

Governors discussed the suggestion that a finance committee be established. They were not convinced that having a finance committee in place would have changed the situation but agreed that full consideration should be given to all recommendations when the FE Commissioner's report arrived, which would provide additional context. The learning review being conducted by the internal auditors was ongoing.

[Sentence Removed].

Marcel Santa joined the meeting at this point.

16.39 Area Based Review update (agenda item 11)

The Principal summarised that the purpose of the Area Based Reviews (ABRs) was to look at the education landscape within each area and ensure that it best served students and employers, and to ensure the sustainability of colleges. The ABR in the Liverpool City Region would be chaired by the LCR Combined Authority.

The Principal spoke to a number of slides from a recent steering group meeting. The slides covered aspects such as student outcomes, running costs, debt as percentage of turnover, condition of buildings for each college in the ABR and an aggregated financial position. There was some discussion over the contextual value as it seemed that one off transactions such as sales of buildings had been included and that only one year of outcomes was included but neither necessarily translated to long term sustainability. Despite the difficult financial position and likely financial outturn for 2015/16, the College compared well against most benchmarks. Governors noted that the College's running costs seemed lower than the benchmark but the condition of buildings was also below the benchmark; governors were aware that the potential sale of Bankfield would have an impact on the College's position. The Clerk was asked to circulate the slides to all governors so that the information could be reviewed in more detail and support their positive engagement with the ABR. **Action: CL**

The College's site visit had taken place, with two FE advisers visiting the College. The incoming DCEX had also taken part in the visit and would continue to provide additional capacity until her formal start date through occasional days at the College. The next individual meeting would take place on 13-14th June; this would include the Principal, the Chair, Paul Holmes (advisor to the LCR ABR Steering Group) and a representative from the local employment and skills team. The College's initial considerations would be discussed. The colleges in the area had been asked to compile a joint presentation on how local priorities were met and then set out their individual position going forwards at the next steering group meeting. SharEd had been established with the aim of improving efficiencies through collaboration with other providers as well as within the Group and this should form a key element of the College's proposals. The Principal suggested that the unique status of the Group and good relationships with employers might support a different approach across LCR in respect of apprenticeship delivery and the Executive were asked to consider potential options around apprenticeships more fully, in line with the College's strategic plan. **Action: EB**

The VPC commented that anecdotal feedback relating to other ABRs suggested the process differed across the country, with notable differences between those ABRs led by the Commissioner and those led by combined authorities.

Governors discussed the structure of the process and considered how the Board could best engage in the process. Attendance at steering group meetings was understandably limited but participation was integral to the process. The Principal explained that each steering group meeting had a different focus and outlined these. The Chair advised governors that extraordinary Board meetings would be scheduled in order to support positive participation on the part of the Board, and to ensure that governors were fully engaged with any further developments as part of the intervention process. The Clerk would send dates out for consideration. **Action: CL**

16.40 Verbal report from the Chair of Audit Committee – John Denny

16.40.1 Internal Audit Contract (agenda item 14)

The Chair reported that the Audit Committee had recently received presentations from the three shortlisted firms. After consideration of value for money, the service offered, the strength of the teams and sector expertise, the Audit Committee recommended that the Board approve the appointment of BDO for a period of three years, starting from 1st August 2016. The Board were satisfied that the relevant procurement protocols had been followed and that the Audit

Committee had thoroughly considered the relevant merits of each firm and so approved the recommendation.

16.40.2 Update from Audit Committee (agenda item 19)

The Chair reported that the Committee was working to its remit and there were no significant issues to be brought to the Board's attention. Co-opted member Tony Cobain had been appointed as link governor for information security. The Chair also reported that the learning review carried out by the internal auditors relating to the current financial situation was well underway.

16.41 Update from Chair of Performance and Quality Task and Finish Group – Peter Tavernor (agenda item 8.1)

The Chair of PQTFG advised the Board that Work Based Learning and English and Maths had been the curriculum areas scrutinised in the meeting immediately prior to the Board meeting. Key points were:

- Apprenticeship success rates had moved from 176th out of 217 colleges to 106th out of 2016 in a single year, although the Head of Work Based Learning was not complacent and intended to ensure further movement.
- Control systems in Work Based Learning had demonstrably improved with a sharp focus on quality and a drive to embed across the College.
- The new Head of Work Based Learning - an internal appointment with previous experience of quality and private training providers – had established new concepts such as employer forums; the PQTFG believed that the willingness of employers to participate suggested engagement and confidence.
- The Head of English and Maths had attended, giving clear, concise information of performance across the College, the strategies used and details of intervention.
- The VPC had undertaken to examine whether the strategy employed in one curriculum area of attendance of the vocational element of a programme being dependent on attendance of the maths and English elements could be applied college wide, but there were numerous considerations and governors understood it may not necessarily translate to different curriculum areas.
- The achievement for maths and English (functional skills) seemed to have improved by 15% already with another examination cycle left.

16.42 Post Inspection Action Plan/Quality Improvement Plan (agenda item 8.2)

The Deputy Principal referred governors to the summary page which provided a clear analysis. Attendance and English and maths remained key risks. The Board noted the cautious optimism around an improvement in English and maths and felt it would validate the range of actions taken through the year, but agreed with the Deputy Principal's assertion that it would be unwise to make bold predictions at this stage.

The national performance statistics had been released earlier in the week. There were three grade two colleges in the area, but the national statistics showed that the College was outperforming them in a number of areas. Governors discussed the importance of quality and outcomes to the ABR process and agreed that it was essential not to let the judgement of "grade three" conceal the comparative performance of the College and the year-on-year trend of improving outcomes.

16.43 Performance Dashboard (agenda item 8.3)

Governors challenged that despite the strategies and interventions used, month on month attendance was reducing. The VPC agreed and explained that while there were contributory factors such as examinations, attendance was still not good enough and would continue to be an area which management would focus on improving and this had already been discussed with curriculum managers as it was below the target of 90%. It was apparent that there were some cultural issues, and that some staff did not challenge attendance enough. Governors noted that English and maths depressed the figures too.

Construction remained an area of concern, particularly plumbing. Governors were well aware of the issues as construction was an area that had been scrutinised in detail by the PQTFG.

16.44 Appointment of governors (agenda item 15)

Governors were able to note the detail in the report around recruitment of staff governors.
Ms Field had returned from a period of maternity leave and was warmly welcomed back to both the Audit Committee and the Board.

Governors discussed the recommendation to consider appointing Tony Cobain as a governor for a period of four years. Mr Cobain had served as governor previously and had provided strong challenge and scrutiny, as well as having an excellent attendance record. Mr Cobain was an experienced auditor with particular expertise in cyber-security, data management and governance. The Board were in agreement that Mr Cobain's skillset had been difficult to replace and was an area of emerging importance to the College group; Mr Cobain was duly appointed for a period of four years.

Ms Carmichael would be standing down after completion of two terms as a governor. Sincere thanks were given to Ms Carmichael for her unerring commitment and support. It was impossible to succinctly capture Ms Carmichael's contributions, but the Board were in complete agreement that she had been an exemplary governor and would be missed by all. In turn, Ms Carmichael stated that the College was in a completely different place from eight years ago and she had every confidence it would continue to be a wonderful institution. Dr Tavernor proposed that Ms Carmichael be co-opted onto the PQTFG as a diligent and questioning member of the group. The Board approved this suggestion and the Clerk was instructed to ensure the Board Policy Manual was amended accordingly. **Action: CL**

The report highlighted that due to relatively small numbers involved, the departure of Ms Carmichael and appointment of Mr Cobain meant that the diversity profile of the Board had shifted. The Board had been emphatic that strong colleges have strong governance and to support that, appointments are made on the basis of skills, knowledge and experience. The skills matrix maintained by the Clerk showed that the Board is balanced in the key areas required for governance. Recruitment would continue to focus on individuals who have significant experience of running and/or transforming large organisations which align with the region's priorities but the Board was assured that the Clerk would continue to ensure that vacancies were promoted openly and transparently to reach the widest range of candidates possible.

16.45 Safe College update (agenda item 16)

The report was self-explanatory and noted by governors. The Board were able to take assurance that all regulatory requirements were complied with.

16.46 Single Equality Scheme Action Plan (agenda item 17)

The Single Equality Scheme had been approved at the last Board meeting and governors were now asked to consider the underlying action plan which stemmed from the three key objectives set. The Equality and Diversity link governor continued to maintain a strong association with that area of the College. The Board were satisfied that the action plan was appropriately structured and duly approved it.

16.47 Confidentiality of items (agenda item 21)

All items which were commercially sensitive or related to third parties/individuals would remain confidential. Items relating to the potential sale of Bankfield would remain confidential from Mr Kenwright.

16.48 Date of Next Meeting (agenda item 22)

The next scheduled meeting was 6th July 2016, but as discussed an extraordinary meeting would be scheduled before then.

The Chair thanked everyone for their participation and closed the meeting at 7.15pm.