

The City of Liverpool College
Minutes of the Board meeting held on 1st July 2014

Present:

Ms Elaine Bowker (Principal)
Ms Charlotte Burns (Student Governor)
Dr Martin Carey
Ms Sue Carmichael
Ms Gemma Charters (Staff Governor)
Ms Clare Crowther
Mr Peter Grieve (Chair)
Mr Charles King (Student Governor)
Ms Vivienne Lacey (Vice Chair)
Dr Peter Tavernor
Mr David Wilson

In Attendance:

Ms Gill Banks (VP Curriculum)
Mr David Brennan (VP Partnerships &
Business Development)
Ms Angela Cox (Deputy Principal)
Mr David McIntyre (VP Finance & Corporate
Resources)
Ms Christine Lenderyou (Clerk to the Board)
Mr Mark Frith (EFA)
Mr Jon Power (SFA)

14.51. Welcome and Apologies

Apologies had been received from Louise Barry, Mr Brian Cronin, Mr John Denny and Councillor Nick Small. The Chair advised governors that the confidential section of the agenda would be taken first and this included some items of other business.

14.52. Minutes of previous meeting and outcome of actions

The Chair apologised to the Board as the minutes of the previous meeting were not yet available and would be brought to a later meeting instead.

The confidential section of the agenda was taken next. Minutes of these items are not publicly available as they either relate to individuals, third parties or commercially sensitive details.

14.53. Confidential Item

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The Executive Team including the Principal left the meeting at this point.

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The Executive Team, the Principal, Ms Charters, Mr Nolan, Ms Burns, Mr King, Mr Firth and Mr Power all (re)joined the meeting at this point. The Chair apologised for the confidential section overrunning and explained that the minutes from the previous meeting would come to a later meeting for approval.

14.56. Declarations of interest

College employed staff (excluding Senior Post Holders) declared an interest in item 12.

14.57. Presentation from Student Governors in their capacity as Students' Union President and Student Union member.

Mr King explained that the Student Union was about to finish its first year and felt there had been a number of achievements, particularly in the context of limited resources and the timing of him taking up post. Between 40 and 60 students visited both student rooms in each session – reaching possibly 200 students per week. Mr King believed that the Student Union could expand and reach more students if it had more staff available. There were a number of student run clubs and societies such as Live Action Role Playing, Mime and Animation society. The Students' Union and societies were a way of facilitating a diverse mix of students coming together. Successful student led trips and events

had taken place. Mr King acknowledged that the student engagement team had given valuable assistance with regards to engagement with students. The Students' Union President was usually only in post for one year so Mr King was preparing to hand over but believed that future priorities would be to grow and expand, building on the impressive start. The Students' Union was a valuable way for the student body to voice their opinions; Mr King had proactively sought feedback and felt a common theme was communication issues.

Ms Burns agreed with this and suggested that this was an issue which had been discussed at national conferences. Not all students were aware of the services offered by the College and how they could be used to improve their performance, although this seemed to be less of an issue at some sites. Ms Burns felt that the timing of strategic decisions and how the information was cascaded could be improved, citing the examples of some students being informed they could only progress onto a GCSE programme after sitting an exam with little time to prepare or some students moving from Clarence Street to Vauxhall Road without the opportunity to plan for the change. Ms Burns believed that governors had a responsibility to improve communications and recommended that governors attend student events as this was a really effective way of governors hearing the student voice directly.

The Principal thanked the student governors for raising some key points and asked for further details regarding the student reaction to the move from Clarence Street to Vauxhall Road. Ms Burns stated that some students had reacted negatively as they felt they were not given enough time to adequately prepare new travel plans, etc, and the decision was poorly communicated. The Deputy Principal acknowledged that this was a fair point.

Governors asked whether the Students' Union had made links with other student unions and were advised that there were some links with Liverpool John Moores and University of Liverpool and that links had been forged between the societies. The Deputy Principal added that the University of Liverpool was working on its own Students' Union but there was the intention to engage in an agreement which would enable the College's Students' Union to access their resources.

The Chair agreed that governors should attend student events and he would make every effort to attend. Ms Burns added that governors may find the fresher and refresher fairs valuable as they attracted around 500 students. The Deputy Principal gave credit to Mr King for his work in helping to set up societies. The Board agreed with Ms Burns' assertion that societies were an asset to the College in terms of being able to offer potential students something different to schools and there was scope to showcase them at open evenings. Ms Burns mentioned Claire Powell in particular had been very supportive in terms of issuing information to students and prospective students.

Ms Burns and Mr King were thanked for their hard work over the last 12 months and were urged to continue to keep the Board informed of their activities.

14.58. Transformation Programme Update

There was no formal report for this item as governors had been apprised of the key points during the confidential session.

14.59. Performance and Quality Task and Finish Group

The group had met immediately before the Board meeting and the Heads of School for Hair & Beauty and Health & Social Care had been invited to attend. Both Heads of School gave the group confidence in the changes taking place with the achievements and enthusiasm from the Head of School for Hair & Beauty being substantiated by evidence. The depth of change had been impressive areas for improvement were clearly identified as well as reasons for success. Health & Social Care didn't fare as well in inspection but the Head of School had an action plan with measures such as reductions in sickness absence and use of bank staff showing the plan was effective.

The performance data indicated year on year improvements. The Chair of the group referred to Ofsted's positive comments towards the work of the group and Board. Governors, the Executive and

the Heads of School who had attended all found the group to be valuable and felt it should continue until at least the next Ofsted inspection. The group had discussed redefining its objectives and the draft paper which the group had considered was circulated with the key objectives listed as:

1. To have oversight of College performance data. To ensure it is robust and fit for purpose to meet external accountability and all internal management requirements;
2. To scrutinise and interrogate data and examine its use: by the Executive, by middle managers of curriculum and service areas and by staff - particularly their understanding of data and its implications;
3. To meet middle managers and examine in detail their departmental performance; and
4. To take direction from the Board and report back fully to the Board the results of the work of the group to ensure that all governors are informed of the scrutiny process, trends identified, areas that require further examination and areas to celebrate.

The Chair of the Group explained that the purpose of the objectives was to test the College data was fit for purpose and robust. Information provided to external bodies must reflect the internal information used to improve performance. The Chair of the Group was clear that there were a number of areas in the College which were performing really well and it was important to celebrate those achievements. Governors agreed that it was beneficial for the Board to have this direct contact with College staff.

The redefined objectives of the group were approved.

14.60. Performance Dashboard including estimate of success rates

The Deputy Principal emphasised that the success rates in the report were not guaranteed but the indicators were positive. The Performance Dashboard showed the basis for the predictions. Some schools were predicting slightly better whereas some others were predicting slight decrease but the Deputy Principal was confident the overall success rates would be as predicted. There were some areas where issues had been identified, for instance in Social Sciences - BTEC Law and Psychology where a number of students had missed their exam and in the School of English and Arts attendance and GCSE performance had been flagged. The Principal clarified that these courses would not necessarily have the lowest performance but may show the greatest deviation from the predicted success rates. Ms Burns queried whether the increase in information available had overwhelmed students but while the Deputy Principal acknowledged this might be a possibility she felt there would be other reasons and she would reflect more when the final results were known. The Vice Chair thanked the Executive for a helpful paper and stated that the improvement measures implemented would be vindicated should the predicted rates be crystallised.

14.61. Financial position

The VPFCR advised the Board that as some of the wider sources of income were not forthcoming, the associated expenditure would be reduced to mitigate. Achieving the forecast Cash Based Operating Surplus was essential to ensuring bank covenants were not breached.

Discussions with the new Financial Statements auditors had been constructive regarding how the Education Funding Agency (EFA) claw back of £625k relating to 12/13 should be reflected. Although the claw back had impacted on the 2013/14 cash flow, it would probably be recorded as a prior year adjustment.

Income was £0.5m below forecast. Staff costs remained close to forecast; agency/bank staff costs were higher than forecast but less had been spent on redundancy. The Chair asked what had contributed to the variances and was informed high sickness rates were a significant factor. The Principal confirmed that the sickness was 8.4% and Dr Tavernor believed this to be twice the sector average. The staff governor (support) queried whether the rate was reducing and the Board were pleased to hear that it had reduced in the last two months; the Principal attributed this to sickness being more actively managed since the restructure of the HR department.

The VPFCR advised that non-pay expenditure was in line with the forecast. Accruals and deferred income were factors and the College had purchase commitments. The cash position continued to improve and the VPFCR was confident it will remain above £1m until end of year which was a significantly better position than the same point in the previous year. The Chair acknowledged the hard work that had gone into achieving this turnaround. The VPFCR added that ratios remained close to forecast and a Financial Health Score of “satisfactory” was expected. A meeting had been held with the bank recently and there were some indications of what the new covenants will be and how they would be applied. The bank had asked for additional security over estate as there were concerns in the sector regarding security. For context 31 colleges were being put into business support by bank. The bank wanted specific security over all buildings so discussions were taking place over how to do that but retain flexibility.

Dr Carey joined the meeting at this point.

The key covenants to monitor were the debt service cover which was improved but still tight and the gearing ratio was also tight. The VPFCR was personally approving every item of expenditure until the end of the year as the surplus must be at least £1.8m in order to preserve the covenants. The Principal added that the bank had asked for progress on the transformation programme and seemed to have taken assurance from the detail and progress. The Chair referenced the recent North West Chairs’ AoC Event where colleges facing tough times financially had been one of the issues discussed. Dr Tavernor pointed out that spreading security over all sites was not necessarily negative as it took risk away from prime sites.

Mr Power left the meeting at this point.

Ms Burns appreciated the need for budget control but sought clarification on whether all expenditure was being reduced. The VPFCR clarified that while value for money was required in every area checking spending was also essential.

14.62. Risk Management Update

The VPFCR reported that this update was the last one of the current risk strategy; the new strategy would come to Board at the start of the next academic year.

The Chair noted that the Protocol issue was rated as amber with £200k involved and enquired whether provision had been made for this. The Principal confirmed that was the case. It was also queried whether the risk relating to the UTC should be red and the VPFCR agreed it should be and explained the document had been produced some days earlier for circulation so there was a lag. Governors asked for some clarification regarding how the risk management update was put together and were told that all risk areas are involved with an update being taken to the Strategic Leadership Team for sign off and fed back down again.

Governors referred to the risk associated with culture change and were interested in the direction of travel. The Principal believed it was a close position; staff absence was reducing and there was engagement within schools but the last sections of the transformation programme had unsettled staff although she expected these issues to be largely resolved by September. There was some variability throughout the College.

14.63. Post Inspection Action Plan

The Board were asked to review and comment on the Post Inspection Action Plan which had been revised to build on the progress made at the last Ofsted inspection. The Chair noted there were a number of completion dates for the current term and agreed with the Deputy Principal’s opinion that it was important to keep the momentum going. The Deputy Principal would review the target completion dates to establish they were realistic, and agreed with the Chair’s point that once the targets were set, they would be expected to be met. The Board understood the Post Inspection Action Plan would be fully populated after most examination results were received over the summer and the final version of the plan would be in place for September.

The revised Post Inspection Action Plan was approved.

14.64. Appointment/Reappointment of Governors

The Board had previously identified a need for a governor with a professional audit background to join the Board. A number of expressions of interest had been received, but the Board was committed to ensuring the balance of skills and experience was appropriate. The Chair, Principal, Chair of Audit Committee and the Clerk had discussed an expression of interest from Lydia Brown (soon to be Field) and it was agreed that the Chair of Audit Committee and the Clerk would meet Ms Brown in person. After a very productive meeting where the College's recent history and future priorities was discussed, it was clear Ms Brown had knowledge and experience which would benefit the Board and she was obviously a very driven person who understood the difference between governance and management, the Chair of Audit Committee and the Clerk had no hesitation in recommending Ms Brown for appointment. Details of the meeting had also been relayed to the Audit Committee.

Ms Brown's appointment to the Board and Audit Committee for a period of four years was approved.

Mr King was coming to the end of his year as Students' Union President and would hand over his position to the newly elected president in August and would therefore cease to be a student governor at that point. The Board thanked Mr King for his valued contributions over the last year and wished him well for his future.

14.65. Write off bad debts

At its March 2014 meeting the Board had asked for further details regarding the debts over £1,000 listed in the report. The appendix now included names of debtors rather than reference numbers. The Board queried two of the highest figures one of which was from a training provider which had gone into administration but was owned by another college and the other was for a local business which appeared to be thriving. The VPFGR advised that all possibilities had been exhausted in relation to the training provider. Information would be provided to the Chair and Mr Wilson regarding the other local business which was definitely still trading but was disputing the figures owed. **Act: DMcl**

14.66. Pay award for staff

The decision on a pay award had been deferred at the December Board meeting as governors felt it was sensible to review the College's financial position at the end of the year before making a commitment. The VPFGR was disappointed to report that meeting the cost of the pay award would put the College at risk of breaching the banking covenants and therefore a pay award to staff was no longer recommended. The Principal understood the situation and agreed that putting the covenants at risk would be detrimental to the College's financial stability. Governors discussed the possible impacts and mentioned that meeting the cost of the pay award would mean making cuts elsewhere but also acknowledged that not making the pay award would be damaging for staff morale, especially in the context of a challenging year. Governors agreed that the matter should be kept under review and brought back to the Board as soon as possible. The Principal suggested that the matter should be reviewed as soon as the enrolment figures for 2014/15 were known as although this would mean the College was out of kilter with national pay negotiations, it would be the quickest way to reward staff. Governors agreed with this idea in principle but underlined that the financial situation had improved but remained fragile and there were changes to funding so there would need to be some conditions attached although it was clarified this would relate to financial indicators rather than performance. It was commented that if staff absence was in line with national levels the pay award could have been made, but it was appreciated that the two issues were separate. The budget for 2014/15 had not yet been presented to the Board so the Principal said she would try to establish if it could accommodate a pay award early in the academic year. The Executive team were urged to keep the matter under review and bring back to the Board as soon as possible, even if this necessitated an additional Board meeting. **Act: Exec**

14.67. First 4 Skills Quarterly Update

The Principal explained that the First 4 Skills Board meeting had not yet taken place so she was only able to give headline information. A profit would be delivered for 2013/14 but not at the level

predicted, however numbers were due to increase as a large contract from [Company name removed] had been won.

Mr Nolan left the meeting at this point.

Some reconciliation work had been requested which would show the student finishing point and other measures. The Board were aware of the financial benefits to the College of having First 4 Skills in its portfolio. As Sue Price had now taken up post, the Chair suggested she could be asked to make a presentation to the Board in the future.

14.68. UTC Update

There were still difficulties in securing a suitable site. A new site had been identified but there were still issues. Levels of resources were also being considered. Meetings with the Department for Education had continued. There was a chance proceeding with the UTC may not be feasible although clarity should be obtained following the meeting on 14th July.

14.69. Health and Safety termly update (spring 2014)

There were no reportable incidents. The Chair gave his thanks to Natalie Armstrong for improving the report. It was noted that the number of slips and trips was relatively high so governors asked whether training was given to students and whether it was more important in some curriculum areas than others. The Principal agreed there was scope to review the induction process.

14.70. Board Business Cycle

The Clerk presented the proposed the Board business cycle for 2014/15 and highlighted that attempts had been made to avoid clashes with external events and peak holiday times in order to maximise attendance. Governors were asked to inform the Clerk if the proposed dates posed any difficulties for them.

14.71. Updates from Committees/Task and Finish Groups

14.71.1 Income Diversification and Business Development

Dr Carey had chaired a meeting in June which was well attended by governors and the Executive with informative documents having been prepared by the VPPBD and VPFCR. The main issue was the reliance on funding from the Skills Funding Agency when this was not protected; the group felt that ideally this should reduce by around 10%. The group appreciated that income diversification was necessary in order to protect against reducing funding levels but it was essential to protect the College's core income. A number of areas for further exploration had been identified including international students, niche Higher Education provision and reducing sub-contracting. Dr Carey suggested another meeting should be held to focus in greater detail on the areas identified before proposals were put to the Board at the next strategic planning event. The Principal agreed this made sense as it would tie in with the refresh of the strategic plan which would be due then, but stressed to governors the importance of growing the College as it could not afford to shrink and elsewhere in the sector, income diversification was already established.

14.72. Any Other Business

The Principal drew the attention of governors to the catering and hospitality students participating in a competition at the International Festival of Business the following week. Part of the competition involved them selling their own tickets for dinners so governors were urged promote this event within their own networks.

14.73. Confidentiality of items

All items taken under the confidential section of the agenda remain confidential.

All commercially sensitive elements were deemed confidential.

Ms Brown's (item 10) personal details would remain confidential.

14.74. Date of next meeting

To be confirmed.

The meeting ended at 7.45pm

