

**Minutes of the Board meeting
held on 22nd March 2011 at 4.15 pm**

Present

Cllr Karen Afford)	External Governors
Ms Susan Carmichael)	
Ms Sara Carthy)	
Mr Tony Cearns)	
Mr Tony Cobain)	
Ms Clare Crowther)	
Ms Claire Dove, MBE)	
Prof Gerald Pillay)	
Dr John Ritchie, MBE)	
Cllr Nick Small)	
Ms Vivienne Tyler (Chair))	
Mr David Wilson)	
Ms Martha Harris		Staff Governor (Teaching)
Ms Maureen Mellor, MBE		Principal

In Attendance

Ms Marie Allen, MBE	Vice Principal Curriculum
Ms Gill Banks	Assistant Principal 14 – 19 Curriculum
Ms Nancy Jenkins	Clerk to the Board
Ms Ann Lees	Assistant Principal Student Services and Support
Mr Brendan Ruane	Vice Principal Finance and Resources
Mr Barry Sherriff	Assistant Principal Adult Skills and Employer Links

11.24 Apologies

Apologies for absence were received from Ms L Barry, Mr M Doyle, Ms I Loh Lynn, Ms S Navarro and Mr S Qureshi. Apologies for early departure were received from Ms G Banks, Ms A Lees, Mr B Ruane and Mr B Sherriff.

The Vice Principal Corporate Services, Ms I Loh Lynn, was currently on sick leave and governors wished her a speedy recovery. The Chair thanked the Principal for postponing her retirement until May to help cover in Ms Loh Lynn's absence and ensure a smooth transition.

11.25 Declarations of Interest

It was noted that items 8.1 and 8.2 on college companies affected the current and future directors of the companies and that Item 11 related to the pension scheme for business support staff.

11.26 Strategic Planning Presentation

The Board received a presentation from the Assistant Principal Student Services and Support on *"Becoming an aspirational college – raising the bar"*.

Ms C Dove and Cllr N Small joined the meeting during the presentation.

The Vice Principal Curriculum and four Assistant Principals had met with each Head of Section and their Head of Faculty. Although the original purpose of the meetings had been to examine under-performing courses, the focus soon switched from compliance to aspiration, as managers described measures they were taking to exceed national rates. Three case studies in the paper gave illustrations of the vision and types of innovative approaches taken. Other recent and future College developments (Healthy College, Safe College, applying for Research Centre status, Diversity Week activities, new Learning Exchange building) encouraged staff and students to be aspirational.

Points raised during discussion included that:

- the process should engage, and be inspired by, staff at all levels and lengths of service;
- setting up businesses and internet trading brought its own risks;
- the social enterprise model should not be ignored;
- as with the Creative Skills group of colleges, benchmarking and sharing of ideas was possible with non local colleges since they were not competitors.

Ms Banks and Mr Sherriff then departed.

11.27 Minutes of previous meetings

Minutes of the meeting held on 8th February 2011 were agreed as a true record subject to the correction of Ms Dove's name under minute 11.03 from 'Ms S Dove' to 'Ms C Dove'.

Minutes of the 11th February 2011 meeting were confirmed as a correct record.

11.28 Matters arising from the Minutes

11.28.01 Outcome of Actions from the 8th February 2011 Meeting

The Clerk's report was noted.

11.28.02 Safeguarding Training for Governors (11.05.02)

It was proposed to run some Safeguarding training at the start of the 17th May 2011 Board meeting. **Act: NJ**

11.28.03 New Principal (11.22)

The Board was informed that the new Principal, Ms Elaine Bowker, would formally commence post on 1st June 2011. She had spent a day at the College the previous week and would be attending on other dates during the intervening period to enable a smooth transition.

11.29 Principal's Report

In her report the Principal outlined key recommendations of the Wolf report on Review of Vocational Education.

In view of an anticipated reduction in funding of circa £2 million for 2011/12 compared to 2010/11, the College had formally launched a redundancy programme that day. It was hoped to make savings of £1.4 million. Progress would be reported to the next meeting.

The University and College Union (UCU) would take industrial action on 24th March as part of its national campaign about pay and pensions.

Governors enquired about the format and deadlines for the redundancy scheme. This would be open to both teaching and business support staff. It was planned to increase the redundancy element for business support staff to encourage applications. It was hoped that sufficient savings could be made through voluntary redundancy but compulsory redundancies could not be ruled out. The third stage interviews following the Best Value

review of business support had been postponed until the outcomes of the redundancy scheme were known.

In relation to the Wolf Report's recommendation that colleges have a legal right to enrol 14-16 year olds to benefit from high quality vocational education, the College had always had a small number of students in this age range and was likely to attract more if this recommendation was put in place. Consideration would need to be given to what curriculum it might be appropriate to offer 14-16 year olds, and by what means.

The Principal was asked to what extent the College had looked into shared back office services. In response, it was reported that the Merseyside Colleges Association felt there was scope in some areas. In addition, there might be opportunities for providing Finance, Human Resources or Payroll services to schools.

Cllr Small was keen to discuss employer engagement and would meet with the Principal and Vice Principal Curriculum. **Act: MM/MA/NS**

Governors noted the success of the recent Diversity Week events and congratulated the team of catering students, led by Chef Ian Jaundoo, who had gained a host of awards in the Welsh Culinary competition.

11.30 Performance Dashboard

Information on key performance indicators set out in the performance dashboard report was noted.

Income Generation was below target and rated 'Red'. The Hair and Beauty section was most successful in income generation, but many other areas struggled to meet what had been ambitious targets.

Strategic Aim CY5 was below target for numbers of school students attending the College. Schools had kept hold of many students rather than paying for them to attend the College, but this aspect might turn round if the Wolf Report recommendation discussed earlier was implemented.

11.31 College Companies

11.31.01 Closure of Strongdegree Ltd

In his report the Vice Principal Finance and Resources (VPFR) recommended the closure of one of the two subsidiary companies, Strongdegree Ltd, by means of strike off. This was in line with advice received from consultants, KPMG LLP.

The Board approved the strike off of Strongdegree Ltd.

11.31.02 Appointment of Director of Liverpool Business Services Ltd

The Board noted a report from the Clerk. When Dr J Ritchie completed his term of office in March 2011 he would also resign as a Director of the College's subsidiary companies, Strongdegree Ltd and Liverpool Business Services Ltd.

Mr David Wilson was willing to replace Dr Ritchie as a Director Liverpool Business Services Ltd and the Board supported his appointment.

11.32 Tuition Fees 2011/12

At the start of his report the VPFR explained the principles behind the proposed tuition fee policy for 2011/12; fees would be charged where due and would be set at cost effective levels. It was planned to adopt the recommended fee levels for Skills Funding Agency (SFA) and HEFCE (Higher Education Funding Council for England) provision, however, actual SFA fee levels would be set at levels that were cost effective and enabled the College to compete with other providers and help maintain adult numbers. The fee waiver and fee discount suite

would be reviewed when the SFA had clarified its final position on fee waivers and issued guidance on use of its learner support fund.

Governors were keen to discuss the competitive aspects of pricing and understand its impact in the long term. This was one item for discussion at the 24th March strategic planning event.

The Board approved the Tuition Fee Policy 2011/12 as set out in the report.

11.33 Update of Financial Regulations

The Board received a report from the VPFR proposing amendments to the Financial Regulations. It was pointed out that the Inland Revenue was now part of HM Revenue and Customs so did not need to be mentioned separately.

Subject to the above change, the amendments to the Financial Regulations were approved.

11.34 Merseyside Pension Scheme: Annual Review of Discretionary Elements

The Board received a report provided by the Vice Principal Corporate Services on review of the discretionary elements of the local government pension scheme for support staff. Regulation 16 (4) had been updated to reflect a change in the scheme's regulations and the Clerk read out the previous wording for comparison.

The update to the Merseyside Pension Scheme Discretionary Powers was approved.

11.35 Funding Allocations 2011/12

In his report the VPFR set out the latest position on Young People's Learning Agency (YPLA), SFA and other funding allocations to the College for 2011/12.

Although notification of the College's YPLA (16-18) funding allocation was not expected until the end of March, a cut of around 4.3% was anticipated compared to 2010/11. The initial SFA allocation for adult funding showed a reduction of about £1.2 million. Additional Learning Support for both 16-18 and 19+ was expected to remain broadly the same as in 2010/11. Apprenticeship funding was expected to increase to take account of a significant increase in this provision nationally. Overall, the reduction in funding allocations was currently estimated to be about £2.1m, down from £38m in 2010/11 to £36m in 2011/12. Additional funding for disadvantaged students might be allocated from the YPLA; if this used the index of deprivation then it would likely benefit the College.

In summary, the College faced a reduction of over £2 million. This was at a time of rising inflation, opening of the new Learning Exchange and when Liverpool City Council were having to make spending cuts. All this emphasised the need for the College to expand other sources of income.

The report was noted.

11.36 Current Significant Risks

In presenting his report the VPFR informed the Board that risks were no longer linked to the academic year. The current most significant risks were: achievement of 2010/11 16-18 student numbers and adult apprenticeships; curriculum changes and partner engagement to support increased apprentice numbers and access adult funding; managing unplanned calls on the income and expenditure budget; future risks around potential loss of adult students in 2011/12 as a result of changes to SFA waivers, or 16-18 students due to removal of Educational Maintenance Allowances.

The highest rated risk related to working with partners. This year had seen very significant growth in apprenticeships, much of which was delivered via partner providers. Governors were assured that, despite its 'red' rating, this lay within the College's risk appetite and actions were planned or had been taken to mitigate the risk.

11.37 Mid Year Reviews

11.37.03 Budget Mid Year Update

The Board noted the Budget Mid Year Update for 2010/11 produced by the Head of Finance. The College forecast a surplus of £471k for 2010/11 (excluding the FRS17 adjustment in respect of Merseyside Pension Scheme). This was inclusive of £1.9m of additional non-recurrent costs that had not been planned for within the vired budget, the principal ones being redundancy costs and Phase 5cii remedial works.

The report also included a copy of an updated and abbreviated version of the Financial Plan for 2010/11 to 2011/12 which the College had submitted to the SFA at their request. It continued to show adjusted operating surpluses and a Financial Health grade of Good for both years.

Governors were supportive of the reasons provided by management for reducing the surplus in order to make savings.

11.37.04 Strategic Plan Mid Year Review

The Vice Principal Curriculum presented a detailed summary of progress against each key performance targets in the 2010/11 Strategic Plan. In the vast majority of cases, targets had either been achieved or were expected to be achieved by the end of the year. An A* grading was shown against those targets which showed exceptional progress and had overachieved.

Student numbers from schools had not been achieved due to a decline in the Increased Flexibility Project, but in the light of the Wolf review of vocational education a fresh dialogue with schools would commence in order to develop new programmes for 2011/12. Some of the IT targets were linked to the opening of the Learning Exchange and the upgrade programmes might be carried forward into next year's strategic plan.

The format of the report was felt to be very helpful and the VPC and staff concerned were thanked for the hard work that went into the review.

Mr Ruane then departed.

11.38 Accommodation Strategy Progress Report

The Principal presented a report from the Vice Principal Corporate Services.

Work on the Learning Exchange (Phase 5c) was nine days behind schedule due to adverse weather conditions. However, a recovery programme had been put in place and the contractor had confirmed that the overall completion date of 6th May 2011 was not at risk. Work had commenced on fixtures and fittings and decorating. Project costs remained in budget.

Stage 1 of the tendering process for remedial work in other centres (Phase 5cii) had taken place and stage 2 documentation was released on 16th March. It was noted that this would be a complex exercise; the contractor would need a thorough understanding of the College's requirements and remain within timetable. Construction works were due to commence on 4th May, with construction works finishing on 22nd August and overall migration completed by 2nd September 2011.

The Clerk was asked to check if appointment of the Phase 5cii contractor required Board approval. Assuming that was the case, the Board delegated authority to the Chair, together with the Chair of the Finance, Estates and General Purposes Committee to award the contract to the chosen contractors.

Act: NJ

11.39 Draft minutes of Committee Meetings

Minutes of the 9th March 2011 Search and Governance Committee were noted. The 17th March Audit Committee had been cancelled. Minutes of the 10th March Finance, Estates and General Purposes (FE&GP) Committee would be brought to the next meeting.

11.40 Confidentiality of Items

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

- Item 9 Proposed tuition fees whilst these were not yet finalised;
- Item 15 Names of potential contractors for Phase 5cii of the capital programme;
- Item 20 Confidential minutes of the 8th February 2011 meeting.

11.41 Date and Time of Next Meeting

The next meeting will be held on Tuesday 17th May 2011 at 4.15pm.

11.42 Record of Thanks

On behalf of all governors the Chair thanked Dr Ritchie for his wonderful service as a governor. Dr Ritchie had first been approached in the autumn of 1995 as an advisor when the College was considering phase 1 of its accommodation strategy. He became a governor in 1997 and had been highly instrumental in helping the College to steer through its capital projects strategy during his 4 terms of office. His supportive role as link governor with the Faculty of Construction and Engineering had been hugely appreciated by staff and students. Dr Ritchie would continue his association with the college by remaining on the FE&GP Committee as a co-opted member

The Principal echoed her appreciation, saying that Dr Ritchie had been a fantastic source of advice over many years, and that the Construction and Engineering staff had very much appreciated the time he gave to the faculty.

In response, Dr Ritchie remarked that he had enjoyed his years as a governor and had been amazed at the transformation in the College's estate during that period, the capital projects all having gone very smoothly.

The staff governor and staff other than the Principal and Clerk then left the meeting.

11.43 Confidential Minutes of Meeting held on 8th February 2011

These were approved as a true record.

11.44 Matters Arising from the Confidential Minutes

Confidential minute held by the Clerk.

The meeting closed at 6.10pm.