



**APPROVED Minutes of the Meeting of the Corporation Board
held on 25th March 2010 at 4.15 pm**

Governors Present

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

In Attendance

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

10.23 Apologies

Apologies for absence were received from Ms L Barry, Ms S Carmichael, Ms S Carthy, Ms A Lees, Professor G Pillay and Mr A Scovell and for late arrival from Mr M Fletcher.

10.24 Declarations of Interest

There were no declarations of interest.

10.25 Appointment of a Member to the Audit Committee

Members were informed that Ms Sara Carthy was willing to join the Audit Committee and she was duly appointed to fill the Committee vacancy.

10.26 Minutes of the previous meeting

Minutes of the meeting held on 9th February 2010 were agreed as a correct record.

10.27 Matters arising from the Minutes

10.27.01 Actions from previous meetings

The report on actions from previous meetings was noted.

10.27.02 Interim Clerk (10.01)

Members recorded thanks to Mr Peter Ryan for his work as Interim Clerk in the absence of the Clerk and for leaving it in good order. No additional administrative support had been engaged.

- 10.27.03 Executive Limitations (09.88.02)**
The proposed amendments to the Financial Regulations, later on the agenda, included specifying both a percentage and a maximum amount for any material changes to approved budgets for capital projects that would require Corporation Board approval.
- 10.27.04 Criminal Records Bureau Checks for Governors (10.05.02)**
CRB forms had been issued to all governors. Separate arrangements would be made to check documentation for those unable to attend on 25th March.
Act: NJ/HR Management
- 10.27.05 Safeguarding Children Developments (10.13)**
A trainer had been engaged to provide training on Safeguarding and Inspection at the 10th June strategic planning event.
- 10.27.06 Integrated Employment and Skills provision (09.116)**
The Assistant Principal Employer Services and Adult Skills and the Clerk would arrange to provide information to governors. **Act: BS/NJ**
- 10.27.07 Accommodation Strategy (10.10)**
An interesting presentation on the design concept for the new Learner Centre had preceded the Board meeting.

10.28 Risk Monitoring

It was noted that items on the agenda addressed a range of key risks particularly as regards finance, funding & Human Resources.

10.29 Principal's Report

The Principal's report was presented in the context of the economic recession and imminent general election. Both the main political parties had given a commitment to increase the volume of 16-18 year olds in education and training, with a shift towards apprenticeships and other technical skills routes at level 3. Adult Learner Responsive and Employer Related training would bear the brunt of the cuts in post 16 funding. The College must ensure it maintained a firm footing.

Matthew Fletcher arrived at this point.

In the current year recruitment was good and staff and students continued to enjoy success. The capital project was on time and in budget. The final stage of Phase 5 would be remedial works on those centres where provision would move to the new centre.

Seven catering students and their lecturer, Ian Jaundoo, had competed in the Welsh Salon Culinaire, securing 5 gold, 9 silver and 12 bronze medals and 5 "best in class" awards. They did equally well in the Wessex Salon. Two students had been highly commended in the UK World Skills event.

Six of the 14 North West Regional Training Awards in the Building Services Industry had been won by our students with four of them going on to win National Awards. One student who won two awards was female. The awards ceremony at the British Library was a prestigious event and the successes were excellent publicity for the College.

The Principal had attended a reception at Downing Street to celebrate those colleges who had made an outstanding contribution to further education.

Claire Dove joined the meeting at this point.

10.30 Student Numbers and Funding 2009/10

The Assistant Principal Resources (APR) brought governors up to date with the situation regarding student numbers and funding. This had improved since the end of February when he wrote his report.

Although participation for 16-18 year olds was somewhat short of the Learning and Skills Council (LSC) target, the allocation for 2010/11 had not been reduced so the potential risk for next year had not crystallised.

Adult Learner Responsive participation had exceeded 100%; however, any overachievement would not be funded.

The College was well short of its Post 6 Month Unemployed engagement targets. It had therefore lowered its target to £500,000 in order to reduce its reliance on this funding. It was expected that Employer Responsive provision targets would be achieved.

The report was noted along with the actions being taken to mitigate the risks.

10.31 Budget Mid Year Update 2009/10

The Vice Principal Finance and Resources (VPFR) informed the Board of the results of the Mid Year Review of income and expenditure against the budget for 2009/10. This included 2 provisions over that budgeted: redundancy of £900,000 and Merseyside Pension Fund deficit in the accounts of £981,000. As a result, an operating surplus of £49,240 was forecast against the budgeted surplus of £745,716.

In respect of Financial Reporting Standard (FRS) 17 recording of the pension scheme deficit, members were told that the Finance, Estates and General Purposes Committee had debated this issue extensively. The view of the Committee was that the College had taken a prudent approach by recording this in the accounts.

The report was noted. An update would be brought to the 29th June 2010 meeting.

10.32 LSC Funding 2010/11

In his report the VPFR outlined the indicative funding allocations from the LSC for the next academic year.

Funding for 16-18 year olds was fairly static with a slight increase. Whilst the figures for Adult Learner Responsive students were only indicative at this point, a large reduction was anticipated. The actual figures were expected the following day.

For adult funding there were reductions both in volume of student numbers and 'efficiency' measures whereby there would be less money per student.

The reduction in Employer Related funding reflected a national cut of 20% in volume of Train to Gain provision and a funding rate reduction of 6%. 'Developmental' adult learning had been cut by 44%. The Adult Learner Responsive base rate had been reduced by 3%.

There had been a slight increase in Additional Learning Support (ALS) for 16-18 year olds. The VPFR had been informed that day that Adult ALS would remain the same as for 2009/10 and not reduced; this was better than the assumed reduction shown in the report.

It was estimated that HEFCE (Higher Education Funding Council for England) funding would reduce by approximately £200,000.

Based on the information received to date, the estimated reduction in income for 2010/11 approximated to £2.2 million. As a result, finances would be very tight in 2010/11. The VPFR was in the process of preparing the next year's budget.

Members asked about the likely effects of recent government budget announcements around education. They were informed that much of this was intervention funding and the core budget could not be based around it. Recent media coverage about reductions in adult learning was noted, for example, the BBC ran a major story about this nationally and locally.

10.33 Staffing Implications of the 2010/11 Budget Settlement

In her report the Vice Principal Corporate Services outlined what measures were being considered to achieve a balanced budget in 2010/11 by significant savings in the staffing budget. Savings would also be looked for in other budget lines.

A redundancy offer was still to be determined by the Senior Management Team on the basis of affordability. The current voluntary redundancy scheme was generous and exceeded statutory requirements. At this stage it was not possible to rule out compulsory redundancies. A timetable for the 2010 redundancy scheme would be drawn up by Human Resource Management and appropriate consultation mechanisms would be put in place.

The report was noted. It was anticipated that an update report on the impact of the budget for 2010/11 on staffing would be brought to the 13th May Board meeting. **Act: ILL**

10.34 Tuition Fees 2010/11

The VPFR's report set out proposed changes to the tuition fee policy for the forthcoming year.

For those students required to pay tuition fees, the national base rate (NBL) element paid by the LSC in 2010/11 had been reduced by 3% from the 2009/10 rate. In 2009/10 the College had charged such students 45% of the NBL which was lower than the LSC's expectation of 47.5%. In 2010/11 it was proposed to charge students 50% which would work out as an increase of 2.1% over the 2009/10 rates.

No change was proposed to the College category of fee waiver for students with learning difficulties and/or disabilities on provision at level 1 or below.

Fees for Employer Responsive programmes were set at a rate that enabled the College to remain competitive in comparison with training agencies.

The fee policy for 2010/11 was approved.

10.35 Mid Year Review of key elements of the Strategic Plan

The Vice Principal Curriculum provided a summary of the strategic aims and progress review of all the main aspects of the 2009/10 Strategic Plan. Each area had been reviewed by the appropriate member of the Senior Management Team and their team. In the vast majority of cases all the key performance targets had either been achieved or were on target to be achieved by year end.

Members asked for more information about Adult Apprenticeships. It was explained that, despite having low numbers of around 70 students, the target had been overachieved. The programme had to be very tightly managed. There was a mismatch at present in that the best way for many students to obtain level 3 qualifications was via an Apprenticeship, but as students moved through the programme they then reached an age level that was not funded. It was hoped that the regulations would be loosened or else the definition of 'adult' eventually changed.

Governors noted the report and congratulated management on excellent progress in achieving targets.

10.36 Financial Regulations Update

The Board approved changes to the financial regulations as set out in the VPFR's report. Regulation 9.1.2 was changed to take account of a proposal from governors that virement above a certain level between budgets of elements of a capital build would require Board approval. Regulation 9.3.4 updated purchasing limits above which European Union procurement regulations would apply. Updating of 'Students' Association' to 'Student Union' in regulation 27 was also approved.

It was noted that transition to a Carver model of governance would necessitate further changes to the Financial Regulations in due course.

10.37 Current Significant Risks

In presenting his report the VPFR commented that the main areas of risk had not significantly changed from those reported to the last meeting. These were:

- 1) Risks impacting on achievement of a balanced budget in 2009/10 as a result of underachievement of student numbers in some budget lines;
- 2) Significant financial risks for 2010/11 in funding allocations and staffing;
- 3) The need for the College to put in place appropriate strategies to ensure financial stability; and
- 4) Risks related to curriculum delivery, especially in Train to Gain, impacting on management of delivery profiles and associated staffing resources.

It was confirmed that, if funding was cut from a long course, it would not close until any students already on the course had completed it.

Next year there was a predetermined cut in the number of adults who would be able to have a place. Advice and guidance had to be very clear. In some cases courses had moved to full-cost provision, for example, evening A Levels.

Members expressed concern at the implications for adult Access to Higher Education courses. Universities were now being highly selective and Access students had to compete with 18 year olds with good A level grades. HEFCE had put in place tight financial controls and colleges and universities would be penalised if they exceeded HE student number targets.

Governors were reminded of the College's mission statement. Its role was to use funding to the best possible use for students and the economy.

10.38 Draft Minutes of Committee Meetings

Notes of the 17th March 2010 meeting of Audit Committee members were noted. The appointment of KPMG LLP to carry out a funding audit was approved. The VPFR confirmed that action had been taken on the high priority actions identified by the LSC audit of Train to Gain and that these actions would be reviewed by KPMG as part of their audit.

Minutes of the 9th March 2010 Finance, Estates & General Purposes Committee were noted.

The 10th March 2010 Search and Governance Committee minutes were noted. It was confirmed that all terminology in the Board Policy Manual would be reviewed to ensure it was properly customised for Liverpool Community College. The Principal and Clerk would work with the consultant Caroline Oliver.

10.39 Confidentiality of Items

Item 19 (confidential minutes of the 9th February Corporation Board meeting) was deemed confidential.

All staff, other than the Principal and Clerk, then departed.

10.40 Confidential Item: Confidential Minutes of 9th February 2010 Corporation Board meeting

Confidential minutes held separately by the Clerk.

10.43 Date and Time of Next Meeting

The next meeting will take place on Thursday 13th May 2010 at 4.15pm.

The meeting closed at 5.55 pm.