



**Minutes of the Board meeting
held on 27th September 2011 at 4.15 pm**

Present

Ms Karen Afford)	External Governors
Ms Louise Barry)	
Ms Susan Carmichael)	
Mr Tony Cobain)	
Ms Clare Crowther)	
Ms Claire Dove, MBE)	
Mr Peter Grieve)	
Prof Gerald Pillay)	
Cllr Nick Small)	
Ms Vivienne Tyler (Chair))	
Mr David Wilson)	
Ms Martha Harris		Staff Governor (Teaching)
Ms Elaine Bowker		Principal

In Attendance

Ms Marie Allen, MBE	Vice Principal Curriculum
Mr Mike Doyle	Assistant Principal Resources
Ms Irene Loh Lynn	Vice Principal Corporate Services
Ms Nancy Jenkins	Clerk to the Board
Ms Christine Lenderyou	Secretary to the Clerk
Mr Brendan Ruane	Vice Principal Finance and Resources
Mr Barry Sherriff	Assistant Principal Adult Skills and Employer Links
Ms Leelee Yates	Assistant Principal Student Services and Support

11.90 Welcome

Mr P Grieve and Ms L Yates were both welcomed to their first Board meeting.

11.91 Apologies

Apologies for absence were received from Ms G Banks, Mr M Brown, Ms S Carthy, Mr A Cearns and Mr J Nolan. The Board requested their best wishes for a speedy recovery be sent to Mr Cearns and Mr Nolan.

11.92 Declarations of Interest

Mr Grieve declared an interest in item 2 (Appointment of Governors). Ms Tyler declared an interest in item 3 (Appointment of Chair and Vice-Chair). It was noted that staff other than senior post holders had an interest in item 12 (Annual Pay Award).

Mr Grieve left the meeting for the start of the following item.

11.93 Appointment of Governors

The Board received a report from the Clerk. There were currently vacancies for two external governors and two student governors. Recruitment of student governors would take place during the autumn term 2011.

In line with advice from the Search and Governance (S&G) Committee, the College had advertised for candidates with a background in sustainability and environmental and/or estates management. After considering six very high calibre applications the S&G Committee recommended the appointment of Mr Peter Grieve. The Board concurred with the view of the Committee that Mr Grieve's wide portfolio of skills and experience would enable him to make a valuable contribution to the Board. Mr Grieve was appointed for a term of office of four years until September 2015.

Mr Grieve then rejoined the meeting and was informed of his appointment.

It was noted that the previous staff governor (business support), Ms Sue Navarro, had left the College in August 2011. Ms Navarro had been a staff governor for over 13 years and her many years of service on the Board were appreciated. Mr John Nolan had been elected from among support staff to replace Ms Navarro. He was duly appointed as staff governor (business support) for a term of four years until September 2015.

It was noted that this would be Ms Karen Afford's last meeting as a governor, her term of office expiring in October 2011. To maintain her link with the College, Ms Afford was appointed as a co-opted member of the Audit Committee to commence once her period as a governor expired. Ms Afford was thanked for her diligence and continuing support.

Mr Grieve was then formally introduced to the rest of the Board and a presentation was made to Ms Afford.

11.94 Appointment of Chair and Vice-Chair

Ms Tyler left the meeting for the duration of this item and it was agreed that Mr Cobain would take the Chair in her absence.

As stated in the Clerk's report, the two year terms of office of the Chair, Vivienne Tyler, and the Vice-Chair, Claire Dove, would expire in October 2011. Both were willing to continue in post and no other nominations had been submitted.

Ms Tyler had been nominated by Mr Cobain and seconded by Ms Carmichael. Ms Dove had been nominated by Ms Barry and seconded by Mr Wilson. Both were re-appointed for a further term of office of two years until October 2013.

Ms Tyler rejoined the meeting and resumed the Chair, having been advised of her re-appointment.

At this point Ms Dove and Mr Sherriff then joined the meeting and Ms Dove was informed of her re-appointment as Vice-Chair.

11.95 Minutes of the Previous Meeting

Minutes of the meeting held on 28th June 2011 were agreed as true record, subject to three corrections:

11.67 *"It was noted that staff other than ~~non~~-senior post holders had a potential interest in item 11"*.

11.71 3rd paragraph: *"...diversify income"*.

11.82 *"It was noted that the University and College Union was taking industrial action on 30th June"*.

11.96 Matters arising from the Minutes

The Clerk's report on outcome of actions from the previous meeting was noted. Most actions had either been completed or were being progressed.

11.97 Outline Strategic Plan 2011-14

The Board considered a strategic document from the Principal which provided a summary of the context within which the College was currently operating, together with the rationale and emerging plans for change over the short and medium term. The three objectives were performance, growth and development, and people.

Performance included both financial performance – ensuring the College's long-term stability was maintained, and student performance – to ensure Grade 1 status was retained. The aim was to move success rates to the 75th percentile for all provision and increase the College's position in relation to value-added so that it was at the national average.

The College needed to increase its market share and grow its income. Part of this would involve developing a people strategy to manage skills and manage change.

The paper referred to the Wolf Report on vocational education and the government's White Paper 'New Challenges, New Chances'. It was suggested that the recent Interim Report of the Independent Commission on Colleges in the Community could also be referenced as it was relevant to the ethos of the College and was expected to tie in with government policy.

Since one of the aims of the strategy was to 'be the employer of choice' it was queried whether this was an issue at present. In response, it was hoped that new growth opportunities would lift morale by avoiding the necessity for a yearly redundancy cycle. It was clear that staff loved the College but they needed to feel secure and motivated.

The Board gave firm support to the strategy, commenting that an innovative approach was necessary, it was clear that government funding would reduce so other income streams had to be found, and managed growth was preferable to managed decline. It was also felt that the objectives tied in with growth areas for the city such as the low carbon economy, and that the social impact of the College on the community and economy of Liverpool was important.

11.98 Financial Benefits of the University Technical College

The Vice Principal Finance and Resources (VPFR) provided a report on the financial benefits of participating in the proposed University Technical College (UTC).

The UTC would be self-financing. The financial plan forecast a year on year surplus of circa £10k once the UTC was fully established. When considered with the predicted start-up grant, after 4-5 years the UTC should be able to build up a cash balance of around £1 million.

The financial benefits to the College which might accrue would be from the provision of back office services. However, the benefits of setting up a UTC were more strategic than financial and included the educational case, student recruitment via progression, increasing the College's profile in the city and links with the City Council.

The outcome of the UTC bid was expected around 10th October.

11.99 Principal's Report

In presenting her report the Principal emphasised the changing context around funding; an increasing percentage was dependent on student outcomes. For 16-18 year old students there had been a shift in enrolments in 2011/12 towards vocational courses and apprenticeships. Anecdotal evidence suggested this was in response to the increase in higher education (HE) tuition fees. As 30% of income for Apprenticeships was based on

successful outcomes, the College needed to reassess the support it gave students in finding work and perhaps consider setting up its own recruitment agency.

The College had conducted a review of its admission process and would invest in a new Customer Relationship Management system.

A bid had been submitted to deliver 600 higher-level apprenticeships in conjunction with Merseyside Police and the College had also entered into a partnership with Mersey Maritime

Two new posts had recently been advertised: Director of HR and Assistant Principal Partnerships and Development. In addition, a Public Relations consultant was working alongside the Marketing Manager on various PR initiatives to enhance the College's profile, including branding.

It was clear from feedback from employers that '*Community*' in Liverpool Community College's name was not widely understood in its wider sense, so a name change was being considered. Any proposed name, and cost implications, would be brought to the Board for formal approval.

As well as the UTC, future potential developments included a Studio School in Creative and Cultural pathways, expansion of the Green Technology Hub, [confidential minute held by the Clerk], North West tender for offender learning and application to for approved Lead Sponsor status from the Department for Education.

On 26th September the College had hosted the Association of Colleges' Labour Party Dinner at the Academy Restaurant. Geoff Russell, Chief Executive of the Skills Funding Agency (SFA), had spent the afternoon of the same day with the Senior Management Team, and on 11th November there would be a visit from Peter Launer, Chief Executive of the Young People's Learning Agency (YPLA).

The Organising Committee of the Olympic and Paralympic Games had officially welcomed the College to its London 2012 Get Set network in recognition of the College's commitment to Olympic and Paralympic values.

Members noted the report [confidential minute held by the Clerk].

11.100 Performance Dashboard – Student Participation and Funding 2010/11

The report from the Assistant Principal Resources showed that achievement of student numbers and funding in 2010/11 was more positive than originally anticipated. All categories were flagged as 'Green' apart from student numbers from schools which was 'Red' (but not a large aspect of College funding).

11.101 Acquisitions Strategy

The Board received a report from the VPFR which set out the proposed acquisitions strategy. The document had been reviewed by members of the Finance, Estates and General Purposes Committee the previous week where members had been supportive of the strategy. Key drivers were the decline in government agency funding and the FE landscape. The College needed to diversify its income sources and increase its overall income in line with its target to become a regional provider. Options included acquisition of private providers, mergers with other colleges and joint ventures.

KMPG LLP had been tasked with drafting an acquisitions strategy and finding suitable partners for the College. The VPFR was asked to arrange for the KPMG report to be available to governors on a confidential basis via a secure website. **Act: BR**

As well as an opportunity for growth in income, the strategy would also enable the College to align itself with growth areas, for instance apprenticeships. It might actually reduce the

College's exposure to risk as it could reduce the necessity of relying on partners to deliver apprenticeships.

At this point acquisitions were a better fit but it was certainly possible that a public sector or college merger might be feasible in the future. However any merger would need to be at the right time and for the right reasons and the College would want to retain its brand. There could be savings through shared services.

In answer to a question about competition, it was pointed out that the College was in a prime position due to its healthy financial state.

Governors wished to ensure the SMT had delegated authority to move swiftly if required. The Board therefore approved, in principle, the start of the process, to allow the SMT to proceed with the identification of potential acquisitions. This to include discussion with potential targets of their attitude to buy out, carrying out due diligence, and preparing a business case to report to the Board.

11.102 Provisional Financial Outturn 2010/11 and Updated Financial Plan 2011/12 to 2013/14

The Board received a report from the VPFR on the updated financial plan for the period 2011-14 as submitted to the SFA. The out-turn for 2010/11 was significantly better than forecast, being a historic cost surplus of £1.1 million and cash-based operating surplus of £3.1 million. This was a result of unemployed provision and apprenticeship numbers being better than anticipated, as well as Remedial works costs being deferred to the following financial year. The financial health status was assessed as 'Good' for all four years.

Expected movements to the budget meant that the forecast for 2011/12 looked to be around £140k less favourable than previously predicted. Causes included increased allocations of bursary funds, costs of providing catering in the Learning Exchange and delayed revenue costs of Remedial building works. This resulted in a forecast £500k historic cost deficit but a cash-based operating surplus of £2.245 million. It was queried whether the forecast deficit was likely to be realised and it was clarified this was a worst case scenario, a conservative position having been taken.

The updated budget and financial plan were accepted and approved.

11.103 Annual Pay Award 2011/12

The Board considered a report from the Vice Principal Corporate Services (VPCS). This set out the recommendations from the Association of Colleges (AoC) following negotiations with the joint trade unions. In recognition of the contribution of staff over the past year and the future work involved in taking the College forward, the SMT made an alternative recommendation that was double that from the AoC and would average an increase of around 1.04% on gross pay. The recurrent cost to the College would be £279k of which £275k had been included in the base budget for 2011/12.

The Board approved the following pay award as recommended by SMT:

- 1) A consolidated salary increase of £400 per annum for staff earning below £21,000 (equivalent to Spine Point 19 of the AoC harmonised pay scale);
- 2) A consolidated salary increase of £250 per annum for staff earning £21,000 or above (equivalent to Spine Point 20 or above of the AoC harmonised pay scale);
- 3) Payable from 1st August 2011.

11.104 Risk Management Plan

When presenting the risk management plan the VPFR asked the Board to consider changing the risk appetite of the College from 'Cautious' to 'Open', given the need to diversify income streams and the range of potential opportunities presented in the current FE and economic landscape.

The Risk Management Plan and the change of appetite were approved subject to ongoing review.

11.105 Internal Audit Service Contract 2011/12

The letter of engagement for the Internal Audit Service for 2011/12 was approved, subject to any changes raised at the Audit Committee on 29th September 2011.

11.106 Internal Audit Service Annual Plan 2011/12

The Board approved the 2011/12 Internal Audit Plan subject to any amendments at the 29th September 2011 Audit Committee.

11.107 Investment Policy

The VPFR's report provided the Board with an opportunity to review the College's treasury management policy and described current investments and borrowings.

The question was raised as to whether a minimum credit rating such as AAA should be specified for financial institutions used. The VPFR would check what ratings applied to the banks where the College's investments were currently deposited. **Act: BR**

The Finance, Estates & General Purposes Committee was asked to review the figures held in each account, the limits at present being £5 million (named banker) and £3 million (any other institution). **Act: BR/FE&GP Ctte**

11.108 Performance Management Framework

The Vice Principal Curriculum gave a report on the operation of the Performance Management Framework which brought together all curriculum improvement and quality processes to lead to continuous improvement.

Several good practice and quality initiatives had been put in place during 2010/11 as a measure to improve and monitor performance. First indications from GCSE and A Level results were that there had been a positive impact as these showed improved performance in the main.

The framework had been extended in 2011/12. The processes were aimed at all levels of performance rather than just areas of under-performance. Staff would be supported and challenged to improve. It was important that the student voice was heard. Analysis and target setting aimed to close the gap between where the College was now and the 75th percentile, and also in relation to value-added.

It was confirmed that staff had the opportunity to innovate, despite the risks. It was explained that there had been some challenging sessions with Vice Principals and Assistant Principals but that the process had been generally well received by staff and provided them with an opportunity for input.

The report was noted.

11.109 Safeguarding Annual Report 2010/11

The Assistant Principal Student Services and Support presented the annual report on Safeguarding which included information for the summer term 2011.

38 cases had been dealt with during 2010/11, a similar number to 2009/10. Some cases had been unusually complex, requiring constant monitoring to ensure the safety of students and staff.

The team of trained Safeguarding staff had been extended to nine and widened to include any member of staff. Pre-entry sharing of information was still sometimes inadequate as had been revealed in two cases which had been subject to Serious Case Reviews. The Safe College Group had been expanded to include health themes, thus allowing College managers to develop two key, inter-related priorities in tandem.

Governors suggested that future reports be widened to cover all aspects of a 'Safe College' including preventative measures. It could also put more focus on trends, rather than incidents, perhaps in the wider context. **Act: LY**

The Board was informed that the Safeguarding Children and Vulnerable Adults policy would be brought to the Board in the spring term 2012. It was also proposed to carry out annual training for governors; governors did not object providing the training was relevant to the role.

The report was noted.

Ms Barry left the meeting at this point.

11.110 Partnerships Strategy

The Board noted the Partnership Strategy prepared by the Assistant Principal Adult Skills and Employer Links.

The College's partnership work had expanded rapidly over the past 12 months. The strategic aims were to align the curriculum to the needs of industry, play a key role in the planning and development of learning and skills through working in partnership with local communities and stakeholders, and ensuring that the College was recognised as a key partner in the Liverpool City Region.

Key issues were how the College was reducing its reliance on partners and continuing its good practice in assessing and reducing risk. The policy also sought to clarify areas which might overlap, such as acquisitions and employer engagement.

It was suggested that the term 'partner' should be defined so that the relationship was clear on both sides.

Mr Cobain reported that, as Chair of the Audit Committee, he had asked the internal auditors to carry out some work on the risks associated with international work in view of the 2011 Bribery Act and the possibility of the College engaging with partners abroad. It was noted that the AoC had set up an India College partnership with an office in Delhi. The VPFR would bring a report on the Bribery Act to the next Board meeting. **Act: BR**

11.111 Accommodation Strategy Update

The VPCS reported on progress with Phase 5c of the College's accommodation strategy.

The Learning Exchange had been handed over on 20th May and the College was now in the 12 month defect correction period. Following severe weather on 26/27 August there had been flooding of the lower ground area resulting in swelling of the timber floors rendering them unusable. The causes were still being investigated and the floor would not be replaced until the cause was known. Estates and curriculum staff were to be congratulated for making alternative arrangements that ensured minimum disruption to students.

Mr Grieve offered to attend meetings with the VPCS to assist in investigating and resolving the problem. Governors asked to be advised of progress at the next meeting. **Act: VPCS**

Remedial Works had been carried out across all sites during the summer and were now complete. It was clarified that the extension of time request mentioned in the report was historical and had not affected the overall cost. The project was slightly over budget as a result of minor changes to the design.

The report was noted and the Board approved additional funding of £41,534 for the Remedial Works contract.

11.112 Draft minutes of Committee Meeting

11.112.01 Audit Committee - 22 June 2011

The Audit Committee minutes were noted.

11.112.02 Finance, Estates and General Purposes Committee - 23 June 2011

The FE&GP Committee minutes were noted.

11.112.03 Search & Governance Committee - 15 June 2011

Minutes of the 15 June Search and Governance Committee meeting were noted; those for 12th September would be brought to the next meeting.

11.113 Confidentiality of Items

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

Item 2 Appendix B (P Grieve's CV)

Item 8 Reference to the Free School proposal prior to it being made public

Item 14.1 Internal Audit Service Contract

Item 14.2 Permission would be sought from the internal auditors if any requests were received for access to their annual report

Item 17 Appendix 1 (summary of individual Safeguarding cases)

Item 24 Confidential minutes of previous meeting

11.114 Date of Next Meeting

The next meeting will take place on Tuesday 1st November 2011 at 4.15pm.

11.115 Confidential Minutes of the Meeting held on 28 June 2011

These were approved as a correct record.

11.116 Matters Arising from the Confidential Minutes

The Skills Funding Agency investigation report into how the College had dealt with Whistleblowing allegations raised in 2008 was now in the public domain.

The meeting closed at 6.17pm.