



Minutes of the Meeting of the Corporation – Lakes College, West Cumbria

Held on Thursday, 2 July 2009 at 4.30pm in the Lecture Room, Higham Hall, nr Cockermouth

Present: Damian McSweeney (Chair), Paul Pharaoh, Joe Holliday (Items 1-18), Steve Bradley, John Lackie, Cath Richardson (Principal), Eunice Simmons, Andrew Oldham ; Michael Doyle, Jill Killen (Items 5-24), Mark Stanger (Items 5-24)

Apologies: Jimi Adam, Norma Boyes, Mike Davidson, Clare Walker, Gerald Humes, Susie Shepherd, Adrian Taylor

In Attendance: Karen Wilson, Director of Finance and Corporate Services; Cyril Wheat, Assistant Principal (External Relations); Chris Nattress, Assistant Principal (Curriculum & Quality); Jane Murray and Jennifer Foote (Clerks to the Governors)

33/09 Declarations of Interest

None received

34/09 Minutes

The minutes of the meetings held on 19 March 2009 and 14 April 2009 were agreed and signed as a correct record.

35/09 Appointment of New Governors

The Chair of the Search and Governance Committee reported to Board Members that a meeting of the Committee earlier that day had agreed to make recommendations for two new appointments to the Board. Bringing further experience in finance and travel and tourism, it was felt that their skills would complement the existing expertise of the Board.

Resolved –

- 1) That Mark Stanger be appointed to the Board and to the Resources Committee
- 2) That Jill Killen be appointed to the Board and to the Learner Experience Committee (subject to further discussion on this Committee later in the agenda.

(Following a short adjournment, Mark and Jill joined the meeting)

36/09 Management Accounts & Financial Update

The Director of Finance and Corporate Services presented an update on financial performance to the 31st May 2009.

This showed that the performance was good on Learning and Skills Council (LSC) contracts. Performance was above planned levels for 16-18 year olds. 'Train to Gain' had also exceeded the original target, while adult responsive and apprenticeship income were marginally below target. Enquiries were being made into the possibility of transferring funding from the Train to Gain to the adult contract. Tuition fees from students for FE are also down on target, reflecting the economic climate, though this has been offset by increased tuition fees from employers.

Higher education (HE) income is on target, recruitment is within the 5% margin allowed, and the £100k claw back from last year has now been received.

Investment income is below target, reflecting the drop in interest rates.

Pay expenditure was above budget due to the increase in LSC activity, however productivity is closely monitored and remains high. However, the increase in staffing was being closely monitored to ensure that there was no underlying upward trend without corresponding income streams.

Capital spend was on track, although attention was drawn again to the pressures on accommodation for the Construction Department – interim funding had been secured to ease immediate pressures, but funding applications were being made to address the issues on a longer-term basis.

Overall, however, the financial picture was healthy leading to an 'outstanding' financial grading.

Governors noted that the Resources Committee had already considered the update.

Agreed – to note the update.

37/09 Three-year Financial Forecast & Draft Budget 2009/10

The Director of Finance and Corporate Services presented the draft annual budget as part of a three- year plan to deliver the strategic and development plan of the College. The capital budget had already been approved by Corporation in March 2009 and an update or 2nd stage capital budget would be presented in November/December.

Since the draft budget was submitted to the Resources Committee, final Learning and Skills Council allocations had been received which were more positive than originally thought, and an update had been made to the forecast out-turn.

Attention was drawn to the balance sheet and financial grading, which showed stability and a strong underlying position, which contributed to the 'outstanding' financial health grading.

The risks to the financial plan were considered and it was noted that diversification of the income streams was always on the agenda.

An update to the national pay negotiations for 2009/10 was also given. The latest position was that there was now a 1.5% pay award on the table provided that unions recommended this award to their membership.

In response to questioning:

- The increase in the underlying operating surplus to £386,000 since it was reported to the Resources Committee had taken account of the final allocations from the Learning and Skills Council.
- There was no perceived threat of claw back from the capital budget (it was noted that such a move had been made on some schools), a large part of which was ear-marked as match-funding for improvements to the construction accommodation.
- Were the final pay settlement to be 1.5% rather than the 2.5% included in the draft budget, this would ease some of the financial pressures this year and allow for more development work. It was noted that this was the tightest financial plan for 3-4 years.

Resolved –

- 1) That the financial plan be submitted to the Learning and Skills Council.
- 2) That the self-assessment grading of 'Outstanding' be agreed.

38/09 Audit Minutes

The minutes of the Audit Committee meeting held on the 11 May 2009 were received and noted. The Chair of Audit updated Members of the Board on the internal audit schedule for 2009/10, which had now been agreed at 33 days.

39/09 Resources Minutes

The minutes of the Resources Committee meeting held on 11 June 2009 were received and noted.

40/09 Distington Walled Garden

The Director of Finance and Corporate Services advised Members of the financial difficulties being faced by the current operators of the site, which had ultimately led to negotiations for the College to take over the running of the garden on a three-year lease.

The College currently made use of the garden to support £66k of the curriculum and the Heads of Faculty could see further use of the garden in support of the curriculum and in

partnership with the community. The garden, in particular, offers a good deal of learning disability curriculum support.

During negotiations with Copeland Council, it was envisaged that the College would pay a below market value rent for the garden, possibly in the region of £500-1,000, although no formal offer had been made.

Liabilities had been assessed and the on-site building was in good condition. In response to questioning, it was added that the proposal to run the site had been included in the draft budget.

Members of the Board present were supportive of the move but asked that consideration was made of the cost of maintenance of the garden during the summer holidays and the effect of any improvement to the garden that, for example, construction might make, on the rental value. They were also keen to ensure that the college received appropriate publicity for the project.

Resolved – that the College enter into a three-year lease with Copeland Borough Council for Distington Walled garden at a below market value rental.

41/09 Collaboration Review

The Principal presented a report which updated Governors on the collaboration between the four colleges in Cumbria.

Some radical changes to the aims and objects were being proposed. The Collaboration Board would continue as a steering group, but it was being proposed that the CCL Company undergo a period of consolidation. The loss of Train to Gain funding had threatened the viability of the company and it was being proposed that the company remain in place until 2011 to deliver outstanding contracts, at which point its future would be further reviewed.

Each of the colleges currently contributed £6,000 to collaboration project. Funding for the administration and management of the company was achieved through a 12% top slice of the funding secured, with the balance going to the colleges.

In the interim, there continued to be a willingness to work together and it was being proposed that the Colleges would continue to bid for funding, with one college acting as lead partner on a particular project. It was hoped that this approach would lower overheads.

The Principal also reported that the jointly funded post of procurement officer was beginning to bear fruit.

Resolved –

- 1) That the statement of purpose and key strategic objectives for 2009/10 be approved.

- 2) That amendments to the Terms of Reference for the Collaboration Board be approved.
- 3) That the terms of Reference for the FE4 group be noted.
- 4) That the amendments to the Partnership agreement be approved.
- 5) That the proposals arising from the review of CCL Ltd be approved.

42/09 Partnership Review

The Assistant Principal (External Relations) highlighted the increasing need for the College to adopt a flexible approach as funding streams and their criteria changed with greater frequency.

The Train to Gain programme is on track against the revised contract, attributed to a smarter and more collaborative way of working. Sub-contractors had increased and stringent monitoring regimes were in place to ensure quality on a par with the College's own delivery.

The college is continuing to build provision with the local authorities, and the Whitehaven Centre was proving to be a valuable asset and an important part of the College's community involvement.

Disappointment was expressed that the Training Quality Standard had not been achieved, and the College will bid again in January 2010. It was felt that the issues that had been raised were relatively minor, but these would be addressed through a working party which had already been established.

Higher Education curriculum and funding streams were being developed, with funding applications to subsidise foundation degrees submitted.

The development of diplomas continued, but may in future be developed without a school partner, as it was now understood that this was no longer a necessary requirement and experience had shown that finding a school partner had been challenging.

In response to questioning on the 'fit' of the curriculum with the Energy Coast Masterplan objectives, Governors noted that there would be three strategic forums in September to consider this issue, from which Governors could expect feedback.

Agreed – that the report be noted.

43/09 Annual Report on Equality & Diversity

The Assistant Principal (Quality & Curriculum) felt that the College was well placed on equality and diversity with a policy in place, and subject to continuous review.

He highlighted that there were no major discrepancies between targets and performance, and that targets would be subject to review in the coming year.

It was also noted that there was a good level of support for students with disabilities. This group achieves good performance and retention rates.

Governors asked that comparisons to highlight any trends in performance be included in future presentations of data.

Resolved – that the annual report be received.

44/09 Learning and Skills Improvement Service Annual Conference

The report from the Vice Chair was received and noted.

45/09 Key Performance Indicators

The key performance indicators for 2009/10 to date showed an overall healthy picture with key areas in the 'red performance' already discussed (such as the failure to secure the Training Quality Standard and the need to diversify income streams).

However, one 'red' area which had not previously been discussed was the target which showed that Governors' attendance at Board meetings was beginning to drop. While it was highlighted in the report that a Board meeting convened at short notice had contributed to the falling performance, nevertheless it was a warning sign which could not be ignored. The Chair expressed his disappointment and expected that Governors would make every effort to attend future meetings.

Agreed – that performance be noted.

46/09 Framework for Excellence

The Framework for Excellence regime is the Learning and Skills' Council performance management system. The Director of Finance & Corporate Services felt that performance overall was 'good' and that the College was not far from achieving an 'outstanding' grading.

Agreed – that the College's performance under the Framework for Excellence be noted.

47/09 Quality & Curriculum Report

The Assistant Principal (Quality & Curriculum) updated Members on curriculum-related issues. Predictions were good for success rates for 2008/09, but it was stressed that predictions were subject to change. Surveys showed that overall, student satisfaction was high.

Good progress was being made on points arising from spring reviews, which included increasing work-based learning recruitment; preparing a Beacon Award bid for Learners with difficulties and disabilities provision; visiting Grade 1 colleges; and active

motivational intervention to support student achievement, which was proving very successful. The lack of computers in some rooms had been resolved, as had maintenance issues with the football pitch.

Courses are monitored and measures introduced where necessary. This would include courses which would appear to be 'coasting'. There were currently 11 courses under review.

Agreed –

- 1) that the report be noted.
- 2) that the Quality Committee report to the next meeting of the Governors following their consideration of the above issues.

48/09 Integrated Quality & Enhancement Review (IQER)

The second part of a review carried out by the Higher Education Quality Assurance Agency (QAA), had highlighted good practice and also essential and required actions. The HE team had developed an action plan to address requirements before the next visit of the QAA on September 7th, which was circulated.

The need to ensure that there was confidence in HE provision was self-evident for the future aspirations of the College. Currently there was limited confidence in the standards of awards that the College offers, but confidence in the quality of learning opportunity. Insufficient progress might adversely affect HE provision and growth.

Agreed –that the report be noted and the outcome of the final review be fed back to Governors.

49/09 Common Inspection Framework

The Assistant Principal (Quality & Curriculum) outlined changes to the Common Inspection framework, which would see an end to the four-yearly cycle of inspections.

There would now be a risk-based approach to determining the focus and frequency of inspections. Satisfactory colleges might expect a four yearly inspection, but for high performing colleges it might be nearer 6 years. There would be greater focus on meeting users' needs, on learning, on equality & diversity, safeguarding, value for money and Every Child Matters.

Agreed – that the report be noted.

50/09 Senior Management Staffing Update

It was with regret that the Principal advised Governors of the retirement of the Assistant Principal, External Relations, who would be departing at the end of September. The position had been advertised, and it was expected that interviews would be held towards the end of July 2009.

Agreed – that the update be noted.

51/09 Revised Terms of Reference for the Remuneration Committee

The Clerk tabled revised terms of reference for the remuneration committee arising from previous discussions during the standing order review, a revised job description for the Chair of Corporation, and a suggestion to further consider the pay and conditions of service for senior postholders. Governors were content with the proposals put forward and

Resolved –

- 1) That the revised terms of reference for the Remuneration Committee be agreed.
- 2) That the revised roles and responsibilities for the Chair of the Board be agreed.
- 3) That the a framework for the pay and conditions of service for senior postholders be considered at a future meeting.

52/09 Review of Corporation Committees

The interim Clerk put forward proposals which sought to address a recent incident of an inquorate meeting of the Learner Experience Committee. The Board was asked to consider whether the Learner Experience Committee should be disbanded with its powers reverting back to the Board or whether the rules on quoracy for the Committee be amended.

Governors felt that as there had only been one quorate meeting (of two) of this committee, it was too early to tell whether the committee would add value and therefore should not yet be abandoned. Concern was expressed that the way in which the Learner Experience Committee operated should not mean additional extra work for senior managers.

Eunice Simmons advised the Board that she would be stepping down from the Committee following the launch of the Link Governors' Scheme.

Resolved -

That quoracy rules in the terms of reference for the Learner Experience Committee be amended to allow for one independent member to be present.

53/09 Risk Register

The Director of Finance and Corporate Services tabled the current risk register. She felt that the risk register still required greater clarity and focus and would table an updated risk policy to the September meeting.

Resolved – that a revised policy be considered at the September meeting.

54/09 Search & Governance Minutes

The minutes of the meeting of the Search and Governance Committee of 19 March 2009 were received and noted.

55/09 September Board Meeting - Change of Date

Resolved – that the September 2009 meeting of the Board be held on 24 September, and that the meeting originally scheduled for 17 September be cancelled.

The meeting closed at 6.47pm.