

**Meeting of the Kendal College Corporation  
Wednesday 8<sup>th</sup> July 2015 at 5.00 pm  
Conference Room 1  
MINUTES**

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**Present:**

Joseph Brown (Student)  
Ian Clinton  
Fra Cooke  
Denise Dent  
Cath Dutton (Chair)

Zaeed Mohammed (Staff)  
Rebecca Sandham  
Gordon Watson  
Graham Wilkinson (Principal)  
Claire Willett

(attendance 85%)

**In attendance:** Maggie Cawthorn, Carole Drury (Clerk), Louise Shrapnel, Kay Naylor (item 1562 only)

1558 **Apologies for Absence**

Michelle Clement, John Tiscornia

1559 **Declaration of Interests**

There were no declarations of interest

1560 **To approve the minutes of the meetings held on Wednesday 20<sup>th</sup> May 2015**

The minutes of the meeting held on 20<sup>th</sup> May were approved and signed by the Chair as an accurate record.

1561 **Matters Arising from the Minutes & Action Plan**

There were no matters arising not covered by the Action Plan which was considered with updates accepted.

1562 **Budget 2015/16** (key agenda item)

The Director of Finance & Resources outlined the process that had been undertaken to arrive at a balanced budget for 2015/16 against a backdrop of Government cuts and cost increases for national insurance and pensions.

Commentary to the budget and financial forecasts provided more detail on the achievement of financial objectives and links to the current strategic plan. Key assumptions had been built into the budget, again outlined in the commentary.

The financial plan was also presented showing a prediction of financial health being rated as satisfactory in 2015 and for the following two years.

The Board was requested to approve the budget for 2015/16 and the forecast for 2016/17.

Board members discussed the budget proposal, voicing concern that the cash position would not give any room for manoeuvre if any situation changed. The importance of close monitoring of the management of budgets was reinforced along with the identification of potential risk and contingency to overcome it. D Dent questioned why recent investment had not produced greater income but it was explained that the investment would serve to continue to attract new students through improved facilities. The Principal also reported that engineering recruitment had increased significantly as a result of new facilities.

The Principal stated that it had been reported that 65% of colleges were predicting a deficit position with many being forced to cut staffing levels or programme hours. I Clinton said that Kendal College was as good as it gets in the sector but that there was too much time spent fire fighting against cut backs. Board members stressed the importance of thinking through the risk and identification of new ways to generate income such as through higher education, apprenticeships and partnerships. Concern was expressed that no pay rise had been included in the budget and the importance of maintaining high quality staff. L Shrapnel reported that the College had followed the AoC recommendation of a 0% pay rise and that 1% was currently not affordable (see 1573).

The Director of Finance & Resources and Finance Manager were thanked for the hard work put in to achieve a surplus budget.

The Board RESOLVED to:

- Accept the budget proposal for 2015/16 and forecast for 2016/17 and review staff pay in line with affordability.

### 1563 **Strategic Planning Feedback**

Following the strategic planning event of 17<sup>th</sup> June, where a range of stakeholders had provided presentations against the theme of the College supporting economic growth, a summary of group feedback was presented, along with comments made by governors.

The Chair requested feedback from board members on the process, recognising that not enough time had been spent on considering the priorities going forward.

It was agreed that the emphasis of the strategic planning going forward would be to identify key initiatives that will ensure the College would survive 5-10 years ahead against the backdrop of funding cuts. R Sandham suggested that proven planning techniques should be used to develop the strategy through a documented process, showing which areas have potential for development. Priorities such as growth in higher education, expansion of work with employers and partnership working were all discussed.

The Board RESOLVED to:

- Receive a first draft of strategic priorities at the October meeting
- Consider the use of an external facilitator to work with the senior management team on development of the strategy

### 1564 **Principal's Report and Data Dashboard**

The Principal's final report of the academic year provided Board members with an overview of issues facing the sector including cuts in funding and changes in priorities, in particular quoting from the AoC Chief Executive's blog. Key themes identified in the new common inspection framework were highlighted as well as key changes to GCSE Maths and English.

As the meeting was held on the same day as the Chancellor's Budget Statement, the Principal outlined some changes that could affect the College including the increase in the minimum wage, student maintenance grants being replaced by loans and the large employer levy to support apprenticeships.

The Principal also reported on recent business partnership successes including Glaxo and provided an update on the LEP's non-approval of feasibility funding for an international hotel school.

The data dashboard was considered with particular emphasis on key performance indicators identified as a concern. Explanatory notes were included to provide assurance that management actions are in place.

The Board RESOLVED to:

- Accept the Principal's report and data dashboard

#### 1565 **Teaching, Learning & Assessment report**

The Director of Curriculum & Quality presented the teaching, learning & assessment report, highlighting key aspects such as the current position of applications for full time courses which were 72 higher than the same time last year. Recruitment to higher education courses was also reported as improving but the impact of additional numbers was higher costs due to additional groups being put on. New A level provision was recruiting well with 7 subjects likely to run.

The College had received confirmation of its success in the recent higher education review (HER).

A summary of highlights from the celebration of achievement evening was included with reference to destinations of completing students with more than 40 students moving on to top-ranked universities.

The report included a summary of the new Ofsted Common Inspection Framework (CIF) that would be in place from September 2015. To support it, a new tutorial programme was under development for September to including British Values and counter-terrorism in line with Government expectations under the Prevent strategy.

The Board RESOLVED to:

- Accept the report noting the increase in applications
- Receive the summary of the new Ofsted CIF

#### 1566 **Management Accounts**

The Director of Finance & Resources presented the management accounts to end of May 2015. The accounts were accompanied by commentary on the historic profit position and variance against the budget, showing the up-to-date position for income, pay and non-pay expenditure.

The Board RESOLVED to:

- Accept the report, providing assurance that the financial position is being closely monitored

#### 1567 **Capital Projects**

##### .1 Wildman Street

Members had received the May flash report on progress of the Wildman Street development showing that the project was on target. Due to previously identified and unforeseen problems with the structure, costs had increased significantly. The Director of Finance & Resources requested that the Board approve an increase of £200k, to the already approved loan of £500k, be taken out to cover the additional costs and to ensure no risk to existing bank covenants. Terms and period of the loan were considered including variable interest rates, 15 year term with a break and review at 7 years. The Principal confirmed that an approach had been made to Cumbria Local Enterprise Partnership (LEP) to secure additional funding for the project but the outcome was not yet known.

The Board RESOLVED to:

- Approve an increased loan of £700k under the terms given above
- Receive the terms of the loan once available
- Receive the updated flash report once available

##### .2 Museum Sustainability Plan verbal update

The Chair and Principal reported on the recent meeting, also attended by the Vice Chair and

the Director of Finance & Resources, with the Mayor of Kendal, Councillor Chris Hogg, and David Sykes of SLDC to agree the way forward following the Board's request for a break clause and £25k per annum to maintain the collections. It was reported that an offer of an upfront, but as yet unspecified, payment had been made but with the expectation that the break clause would be rescinded.

Board members debated the proposal and stressed that, with the primary aim being education, it was essential that they were sure that the museum would add value to the College. It was recognised that giving up the break clause could cause additional risk that would need to be compensated. It was agreed that a proposal for a figure would need to be agreed and that the Director of Finance & Resources would work out a realistic figure. G Watson suggested that an endowment trust be considered to generate income that in turn would pay for the maintenance of the collection.

The Board RESOLVED to:

- Continue negotiations with SLDC over the sustainability of the museum

(D Dent left the meeting)

1568 **Board Assurance Report (Strategic Priorities)**

The updated Board Assurance report against the key strategic priorities and measures was presented. The report provided an overview of progress against each of the priorities and measures and how the outcomes have been reported to the Board.

The Board RESOLVED to:

- Accept the report

1569 **Policy Updates**

Equality

The Equality Policy was presented by the Director of External Relations & Client Services showing where updates had been made to reflect the introduction of fundamental British Values as part of the culture and training for students. Other minor amendments were accepted. It was noted that the College's equality objectives will be due for update in January 2016 along with publication of the annual equality report that would need to be approved by the Board at its December meeting.

Financial Regulations

The annual review of the financial regulations had been carried out by the Director of Finance & Resources reflecting changes noted in the paper. The Board was asked to approve the recommended amendments to apply for the 2015/16 academic year.

The Board RESOLVED to:

- Approve the Equality Policy as presented
- Approve the Financial Regulations

1570 **Annual Freedom of Information Report 2014/15**

The Clerk presented the annual Freedom of Information report noting 6 requests that had been received during the year with each one having been responded to within the approved time limit. No concerns were raised with the report.

The Board RESOLVED to:

- Accept the report and gain assurance that requests are responded to in line with statutory requirements

1571 **Annual Complaints Report 2014/15**

The annual complaints report was presented providing Board members with an overview of

formal complaints recorded in line with the College complaints policy. A total of 17 complaints had been received and investigated compared with 24 in 2013/14 and 31 in 2013/14. Satisfaction levels with the outcomes of the complaints were shown and the report included graphs showing a breakdown of complaints by type and by complainant category. No patterns of concern were noted.

The Board RESOLVED to:

- Accept the report
- Gain assurance that complaints are managed effectively in the College

1572 **Annual Safeguarding Report 2014/15**

The report was presented indicating that a total of 19 students have been referred to the Safeguarding team during the academic year, an increase of 6 over the previous year. The report made reference to the type of support and referral services that were used to ensure students are safe and included specific reference to Prevent training and ongoing development of a Prevent risk register and action plan.

I Clinton commented on the range of issues reported and the support put in place by the College.

The Board RESOLVED to:

- Accept the report
- Gain assurance that safeguarding procedures are being adequately carried out

1573 **Pay award**

Board members were provided with an overview of recent pay negotiations between the Association of College (AoC) and the National Joint Forum of joint trade unions. No inclusion of a pay rise had been made in the budget, based on AoC recommendations of a zero pay award, noting that a 1% pay award would cost the College an additional £62k on top of the 2.8% increase to pay costs for National Insurance and Teacher Pension increases. If finances allowed, then a pay award would be reconsidered.

The Board RESOLVED to:

- Accept the position of no pay award at the present time, based on AoC recommendations

1574 **College Insurance Policies**

Board members were advised of the tendering exercise in respect of College insurance policies, noting that Zurich Insurance had offered the best prices, making an overall saving of £6k on present rates.

The Board RESOLVED to:

- Approve the appointment of Zurich Insurers for the next three years with the option to extend for a further two years

1575 **Appointment of Chair & Vice Chair**

The Board unanimously approved the following appointments for 2015/16:

Chair of Corporation - C Dutton

Vice Chair of Corporation – G Watson

Chair, Search & Governance – J Tiscornia

Chair, Audit & Risk and Remuneration – G Watson

It was agreed to retain the annual appointment of Board positions.

1576 **Schedule of meetings 2015/16 revised**

The revised schedule of meetings was agreed following the decision to reduce the number

of Board meeting to two per term.

1577 **Date of Next Meeting** 14<sup>th</sup> October 2015