

**Meeting of the Kendal College Corporation  
Wednesday 14<sup>th</sup> December 2016 at 5.00 pm  
Conference Room 1  
MINUTES**

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**Present:**

Michelle Clement (Staff Governor)  
Cath Dutton (Chair)  
Emily Harris  
Zaeed Mohammed (Staff Governor)  
Isaac Roach (Student Governor)  
Rebecca Sandham  
Alastair Speed (Student Governor)  
Jon Thedham  
John Tiscornia  
Gordon Watson  
Graham Wilkinson (Principal)  
(attendance 92%)

**In attendance:**

Maggie Cawthorn, Carole Drury (Clerk), Kay Naylor

**Apologies for Absence**

1690 Fra Cooke.

The Chair reported that Ian Clinton had tendered his resignation from the Board due to his commitment as interim principal of Telford College.

1691 **Declaration of Interests**

There were no declarations of interest.

1692 **To approve the minutes of the meeting held on 12<sup>th</sup> October 2016**

The minutes of the meeting were approved and signed by the Chair as an accurate record.

1693 **Matters Arising from the Minutes & Action Plan**

There were no matters arising from the minutes not already covered by the updated action plan or on the agenda.

1658 – Jon Thedham and Emily Harris both requested an opportunity to meet with Louise Shrapnel over college finances

1683 – the governor link scheme would be sent out again to governors to set up the links for the new year

1694 **Principal's Report and Data Dashboard**

The Principal presented his report that made specific reference to the recent success of the College's "moving image" team who won gold medal at the 2016 national WorldSkills competition in Birmingham. The film would be shown to governors at the February Board meeting.

An update of key sector issues was provided including technical education reform proposals to create high quality qualifications at levels 4 and 5 to meet the needs of the UK economy and already identified as LEP priorities for Cumbria. The Principal also pointed out the expectation of the FE Commissioner that colleges should generate an operating surplus equivalent to 3-5% of turnover.

Further discussion took place over the changes at Cumbria LEP and reduction in expected funding coming in to Cumbria that could impact on adult and capital funding. The Principal made the Board aware of funding bids that had been submitted for bio-pharma and a high technology catering facility through the Skills Commissioning group. He also reported the new appointment of Craig Iveson as LEP Skills Manager. The Chair raised a concern over the impact on management and financial resources to manage further capital projects.

The report also gave an update on the College's submission to become an approved apprenticeship provider on the Register of Apprenticeship Providers (RoATP) and a tender for non-digital account holder apprenticeship provision. John Tiscornia questioned the reported positive track record of apprenticeship recruitment, with reference to the data dashboard, leading to further discussion on how the College engages with employers. Maggie Cawthorn advised that the College was following up all opportunities with recruitment varying by framework, noting that income per framework varies significantly. She also advised of new opportunities for graduates to undertake apprenticeships in areas where new skills development is required. Emily Harris enquired how social media campaigns were used to promote apprenticeships; links to key campaigns would be provided. Zaeed Mohammed asked what the College was doing to work with apprenticeship levy payers and the Board was provided with an update on recent employer events that focussed on apprenticeship reform.

The data dashboard to December was presented identifying performance against key indicators. Concerns were raised over student attendance at GCSE maths and English classes with no percentage improvement since the last report but giving assurance that attendance was being closely monitored by curriculum teams and new strategies being introduced to improve this important measure.

Data in respect of equality objectives was presented showing good progress with the exception of recruitment of apprentices from minority ethnic backgrounds.

Concerns with financial and substantive income line data were noted and would be further investigated later on the agenda.

The Board RESOLVED to:

- Accept the Principal's report noting key issues facing the College
- Request more information on College promotion of apprenticeships via Social Media
- Note performance against key indicators on the data dashboard

#### 1695 **Reports from the Committees:**

- Audit & Risk, 22<sup>nd</sup> November 2016  
Gordon Watson, Chair of Audit & Risk, presented the report from the recent meeting of the Committee. The Committee had reviewed two recent internal audit reports in respect of the Student Journey and Safeguarding. Recommendations from both reports had been accepted and progress against each action would be monitored at meetings going forward. Whilst the Student Journey report had provided the Board with substantial assurance, recommendations had been made to support the importance of good recruitment practices and to ensure effective IT support systems were in place.

Limited assurance had been given in respect of the Safeguarding Audit. Whilst the report identified good practice in several areas, the incomplete single central record had been identified as a key risk although it was reported that the statutory requirement identified in the report had now been met through the appointment of additional resources to the personnel team.

One recommendation was in respect of safeguarding and carrying out DBS checks on governors. The issue had been debated at the Committee but it had been felt that the decision should be taken by the Board. A paper to support the decision had been

provided by the Senior Safeguarding Lead who had also taken advice from DBS over regulated activities and statutory requirements. Due to the low cost of submitting checks for governors as volunteers and the risk to the reputation of the College if something went wrong, it was agreed that checks would be undertaken and the process would start at the training event in January.

Emily Harris asked about software system reviews and whether ERP (enterprise resource planning) was in place as would be expected in other business sectors. John Tiscornia raised a concern that no strategy was in place to introduce or upgrade a personnel system. It was agreed that a review of system software should be conducted to support the link between HR and payroll systems.

Zaeed Mohammed asked about annual checks on criminal convictions and was advised that this was checked annually through performance review and self-declaration in line with staff contractual requirements.

The annual Audit Committee Report was presented following approval by the Committee to provide the Board with assurance that the Committee was fulfilling its statutory obligations prior to acceptance of the financial statements and regulatory letter. The report was signed by the Chair of the Committee. John Thedham asked for confirmation that the Board would continue to use internal audit services which was confirmed.

It was reported that no issues had been raised by the external auditors with the Committee in the absence of the Principal and senior team.

An updated risk register had been considered at the meeting with minor amendments proposed and was now provided for Board consideration. The Chair questioned the validity of the statements made to mitigate risk and Jon Thedham suggested that the Teaching & Learning governor link could check out some of the evidence suggested to provide a further level of assurance.

The Committee Chair reported that the covenant position had been reviewed with no concerns raised.

- Finance Working Group 27<sup>th</sup> September 2016

John Tiscornia apprised the Board of the activities of the Finance Working Group, particularly in respect of the financial statements and management accounts that had been scrutinised prior to the Audit & Risk Committee meeting. The group had also considered the growth plan identifying the need for more information to be provided on the position of HE validations and LMI to support growth targets.

The position of cashflow was raised with the group having been sent an updated version. It was reported that bank support continued to be in place to ensure pressure points identified in January and March could be managed. It was anticipated that the position would be resolved by the end of the year based on the funding profile with cashflow predictions for 2016/17 showing a positive position. Discussion over alternative and more effective financing packages took place noting that overdraft facilities can be affected by external factors such as changes in bank protocols for lending.

The monitoring of the growth plan was reported, stating that a marketing plan would be put in place to support achievement of the plan, being mindful of capital investment that might also be needed.

The Board RESOLVED to:

- Note the work carried out by the Audit & Risk Committee including monitoring of the internal audits
- Agree to undertake enhanced DBS checks

- Note the work carried out by the Finance Working Group

#### 1696 **Financial Statements & Regulatory Report**

Following recommendation from the Audit & Risk Committee, the Board considered the year-end financial statements and draft audit findings report provided by the External Audit team with no key issues identified. A loss of £157k had been notified in the accounts that reflected the loss of Castle Dairy assets and insurance liabilities as well as increases in national insurance and pension costs. It was reported that budgetary expectations had been downgraded and that this was the first time a loss had been posted.

The financial statements were recommended for signing and approved by the Board and were duly signed by the Chair and Principal as Chief Accounting Officer.

The Board RESOLVED to:

- Approve the signing of the financial statements

#### 1697 **Management Accounts**

The management accounts to the end of October 2016 were considered having been previously reviewed by the Finance Working Group. The accounts forecasted an operating surplus of £2k against a budgeted surplus of £61k. The Finance Manager advised that the forecast had been adjusted against variables such as commercial income and staff costs.

Emily Harris raised concerns of the discrepancy between the budgeted and actual figures showing for this stage of the financial year and that budgeting needed to be more accurately profiled as the figure showed a potentially large deviation from the budget. She asked about steps that would be taken to address the shortfall. Cath Dutton stressed the importance of being aware of such deviations and ensuring that close monitoring of the situation remained.

Zaeed Mohammed asked about pay to turnover ratios and how the College was expecting to meet the expectations of the FE Commissioner outlined in the Principal's report. The Chair reminded the Board of the costs of running two campuses, for example with two estates teams. The Principal stated that retaining an outstanding status resulted in extra staffing resources being recruited. He also pointed out the additional costs associated with the number of staff on maternity leave or long term sick. The Chair asked that the Board remains aware of the ratio and that it would need to be monitored.

The Board RESOLVED to:

- Accept the management accounts for October noting concerns raised
- Receive the November accounts once they had been completed

#### 1698 **Capital Projects Update**

The Principal provided an update on the current capital projects that included completion of the Wildman Street Studios and the repairs to the Castle Dairy. In respect of Wildman Street studios, it was reported that the final outturn position was under budget with the cost of the whole project that included refurbishment of the Allen Building, being just under £4m. Additional costs associated with putting right some building issues had resulted in an additional money being spent to sort out flooding in the toilets.

In respect of The Box, it was reported that the insurance-funded work on the external cladding had now been completed with the whole site being finished after Christmas. For the Castle Dairy, it was reported that the kitchen had now been completed under budget with the remaining work on the building still to be finalised. It was noted that all costs had been covered by insurance including loss of business profit. John Tiscornia asked if the late-identified problems mentioned above could be added to the legal challenge to the bond claim and it was agreed that this would be investigated.

The Board RESOLVED to:

- Receive the update on the capital projects
- Request consideration of additions to the bond claim

1699 **Teaching, Learning & Assessment report including Self-Assessment Report 2015/16**  
The Director of Curriculum & Quality presented her report that covered the validation of the 2015/16 self-assessment report. The validation meeting had been attended by 4 governors along with college managers and an external moderator from Blackburn College. The following grades were put forward for approval:

Overall - grade 1  
Learner outcomes – grade 2  
Apprenticeships – grade 2  
Teaching & learning – grade 1  
Leadership & management – grade 1  
Study Programmes – grade 1  
High needs learners – grade 1

The Student Governors were asked their opinion on the grades and the College and without hesitation suggested that the College was outstanding from their experience. John Tiscornia asked about continuing to work with Blackburn College and was advised that the Quality Team were planning to work with Trafford College in the future.

Gordon Watson asked about concerns raised with outcomes in science and animal care and was advised that improvements were already in place following the appointment of an assistant head of school in that area where previously management of attendance and lack of teaching experience had emerged. The culture within the department had needed to change but the value to students of being taught by qualified and experienced vets was noted. Concerns over the number of students on Forensic Science courses with disclosed mental health issues had also been a factor.

The second half of the report concentrated on the outcomes of the Student Start of Course Questionnaire that had been completed by 699 students. Satisfaction levels had been very high overall and in particular satisfaction with teaching and learning. The Director of Curriculum advised that the survey had been completed after the first half term and that some issues raised had already been addressed. Overall, the College was pleased with the positive outcomes of the survey and the comments made by students showing very high levels of satisfaction. Michelle Clement asked if the opinions of apprentices would be collected and was advised that a survey will be sent out in January. John Tiscornia added that the outcomes endorsed the comments made by students at the recent student conference that he had attended.

The Board RESOLVED to:

- Agree the proposed self-assessment outcomes
- Accept the student questionnaire results

1700 **College Operating Plans**  
The Principal presented the updated operating plans that came from the strategic plan which itself had been updated with requested references to Area Based Review. The position of targets from the 2015/16 operating plan had been provided and RAG rated, indicating a relevant source of evidence. The Principal advised that the next update would be at the March Board meeting.

The Board RESOLVED to:

- Receive the updated operating plans and note progress

1701 **Annual Pay Award**

The position in respect of the second half of the pay award was debated, noting that 1% had already been paid and with a proposal that the additional 0.5% was not affordable at the present time although the figure had been included in the budget. It was agreed to delay the second payment to reduce the impact on the cashflow position reported on earlier, noting that it would be backdated to August.

John Tiscornia asked about the impact of the increase in the living wage, with the expectation of an increase to £10 per hour by 2020 and was advised that all staff with the exception of apprentices were paid at a rate above the living wage although future wage costs would be affected by a rise to £10 and would be noted in budget planning.

The Board RESOLVED to:

- Delay the payment of the additional 0.5% to staff and review the position at the March Board meeting

1702 **Annual Equality Report**

The annual equality report was presented by the Director of External Relations & Client services, reporting on progress made against the equality objectives that had been agreed a year ago. It was suggested that the objectives should be updated to reflect the current SAR position and some commentary added to show progress against the targets, along with updated data now it had become available.

Gordon Watson asked about the composition of the Board and whether it sufficiently reflected protected characteristics and was advised that board membership was monitored against equality such as age and gender but with a greater emphasis on ensuring the skills of board members were reviewed to best meet the needs of the College. It was noted that board membership did reflect the College and South Lakes communities.

The Board RESOLVED to:

- Accept the equality report subject to completion of the data and additional commentary on progress
- Approve the publication of the report

1703 **Training Event 18<sup>th</sup> January 2017**

The draft programme for the training event was considered, to be based around financial and funding information and monitoring of the growth plan. It was reported that National Leader of Governance, Nick Martin, had agreed to facilitate the event funded by Education & Training Foundation. Attendees from the LEP had also been confirmed.

1704 **Any other Business**

Recognition of John Tiscornia's lengthy tenure on the Board was made and he was personally thanked for his extensive contribution to the Board, particularly in his chairing of committees and more recently the Finance Working Group.

1704 **Date of Next Meeting –**

Wednesday 15<sup>th</sup> February 2017