

<p style="text-align: center;">MINUTES OF THE BOARD OF GOVERNORS MEETING HELD ON WEDNESDAY 18TH DECEMBER 2024</p>

Present: Ali Amirkhalili, Gary Baines, Gill Banks (Principal), Simon Wrigley (staff governor), Jo Henney (Chair), Paul Gaskell, Karen Lowe, Ian Evans (staff governor), Paul Smith, Penny Haughan, Phil Vickerman, Ethan Stewart (student governor), Lucky Ali (minutes 130 to 153)

In attendance: Christine Carter, Vice Principal – Curriculum
Phil Jones, Vice-Principal – Quality & Student Experience
Kevin Williams, Vice Principal – Finance, MIS & Estates
Lesley Venables, Governance Professional
Ian Carten, Director of Quality of Education (minutes 123 to 134)
Rory McCall, Wylie & Bissett (External Auditor) (minutes 137 to 154)

APOLOGIES FOR ABSENCE

100 Apologies for absence were received from Debbie Wilkinson.

DECLARATIONS OF INTEREST

101 Paul Smith declared a standing interest in relation to his employment by Wirral Metropolitan Borough Council and his spouse being a member of staff at the College.

MINUTES

102 **Resolved -** That the minutes of the meeting held on 23rd October 2024 (Parts 1 and 2) be approved as a correct record and signed by the Chair

MATTERS ARISING

103 Governors received for information a progress report on actions arising from the previous meeting and noted that these were either under development or featured on the agenda.

104 In relation to minute 130 the Principal reported that a draft data dashboard had been developed and shared with the Chair. Further refinement would take place and a final draft would be submitted to the March 2025 Board meeting.

105 The Vice-Principal Finance, MIS & Estates advised that since the latest Audit and Finance & Resources Committee meetings the ESFA funding review of the College's adult and apprenticeship provision had identified a material issue, which would be raised under a later agenda item (minute 135 refers).

PRINCIPAL'S UPDATE

106 The Principal reported that a 3% pay award for 2024/2025 had been approved by the Board as part of the budget and had been agreed with the recognised trade unions. This would be effective in December salaries for all staff excluding senior postholders. Negotiations would remain open to take account of any additional funding provided by the Government in the future.

- 107 Outcomes for 2023/2024 had improved.as detailed in the Self-Assessment Report which was featured under a later agenda item.
- 108 Management had decided to add 3 additional days to the Christmas closure period to thank staff for their efforts during the Autumn Term.
- 109 A new Director of People, Sinead Harrop, had now been recruited and would commence her employment on 3rd March. The recently-appointed Director of MIS and IT, Paul Woods, was now in post.
- 110 The College had been selected as finalist for a national Beacon Award. The results would be announced at a ceremony at the Houses of Parliament on 3rd March.
- 111 A major focus for the College for the remainder of the academic year would be maintaining the pace of change required and ensuring compliance, such as meeting deadlines and raising standards.
- 112 Governors were advised that the draft report on the recent Ofsted Monitoring Visit had been received and would be circulated. Six main areas had been scrutinised, using a blend of deep-dives, examination of data and meetings with staff. The conclusion had been that the College had made 'reasonable progress' since the October 2023 inspection. The measures that had been put in place were already having a beneficial impact on learners, evidence of a thorough quality assurance process had been demonstrated and the changes made were felt to be sustainable. All the comments from the Ofsted Visit had been included in the Quality Improvement Plan for 2024/2025.
- 113 The Principal outlined recent regional and national developments, including:
- The College had completed a consultation on the future shape of the FE curriculum
 - Skills England report which set out how the FE sector would respond to the Government's 5 priorities
 - Ofsted Annual Report for 2023/2024 which highlighted the importance of staff retention, the high rate of school absence and the increasing number of students with SEND.
 - A consultation had been launched by Ofsted on the proposed new inspection framework. This would be a 'report card' approach rather than establishments receiving one overall grade. There would be a great er focus on data and the context in which schools and colleges operated. Meeting the needs of the community, particularly for those Not in Employment, Education and Training would be important under the new framework.
 - The College was working through the list of Level 3 and T Level qualifications that had been reinstated for funding by the Government
 - A White Paper had been published on further devolution to regions in England. Part of these proposals meant that some of the ring-fencing of educational funding allocations would be removed.
 - The Local Skills Improvement Plan would now be jointly owned by the Chamber of Commerce and the Liverpool City Region Combined Authority.
- 114 A number of success stories were provided, including 2-D Christmas tress produced by students and the LCR Adult Learner of the Year award.

- 115 The College had also formed a partnership with the Co-op Academy, which would include schools liaison and transition to college activities, progression and sharing of sports facilities.

CHAIR'S UPDATE

- 116 On behalf of the Board the Chair thanked the Principal and all staff for the successful Ofsted Monitoring Visit.
- 117 The Chair had attended regional networking meetings arranged by the Association of Colleges, regular meetings/contact with the Principal and the Governance Professional and had been part of the interview panel for new governors with estates expertise.

SELF-ASSESSMENT REPORT 2023/2024 AND QUALITY IMPROVEMENT PLAN 2024/2025

- 118 The Vice-Principal Quality presented the draft Self-Assessment Report for 2023/2024 and Quality Improvement Plan for 2024/2025. These documents had been updated to incorporate comments made by governors at the recent Quality & Standards Scrutiny Committee meeting. It was agreed that in future years the full Board would be invited to the SAR validation meeting in the Autumn Term.
- 119 The report on the Ofsted Inspection in October 2023 and subsequent monitoring visit had noted that leaders were aware of the areas for improvement and had agreed with the College's assessment of these items.
- 120 Additional support on the development of the curriculum and quality processes had been provided through the FE Commissioner's team, including refinement of the curriculum area SARs.
- 121 The QIP for 2024/2025 detailed 5 key areas, each of which had been assigned to a particular director to drive forward. Progress against these areas would be monitored by the QSS Committee at every meeting.
- 122 **Resolved -** That the SAR and QIP be approved

EQUALITY, DIVERSITY & INCLUSION ANNUAL REPORT 2023/2024

- 123 The Director of Quality of Education presented the Annual EDI Report for 2023/2024. Governors noted that the College was more ethnically diverse than the local population, but this was mainly due to the size of its cohort of ESOL students.
- 124 A total of 64.7% of students were drawn from areas of high deprivation but there was no overall achievement gap. The 2023/2024 16-18 student body was comprised of 57% males and 43% females, with an achievement gap of 7.5PP for females compared to their male peers (76.9% and 84.4%). However, on average female apprentices achieved at 9PP higher than males (68.9% and 59.9%).

- 125 Achievement levels remained lower for students with an identified learning difficulty or disability (SLDD) by 8.4pp for 16-18 and 19+ students, compared to those without. For apprentices with LDD the achievement rate was 58.7%, which was 6.7pp lower than those without (65.4%), however the achievement gap had reduced by 2.8PP since 2022/2023.
- 126 Further analysis of this data was underway to identify the underlying reasons. Governors noted that EDI outcomes could also trigger 'deep dive' activity on elements such as attendance and progression.
- 127 In response to a question on the disparity between male and female apprentices at 16-18 and 19+ the Director reported that this was being investigated further, which was possible now due to improved tracking and monitoring systems. The Principal advised that the lower levels of performance tended to be in curriculum areas where students were predominantly female (such as Health & Social Care and Leisure & Tourism) and that outcomes had been poor for the last 2 to 3 years. Attracting more females to non-traditional areas was the key to addressing the imbalance.
- 128 A governor asked whether the College intended to widen the protected characteristics on which data was collected and if future data sets would cover staff and the local community. The Director responded that an EDI dashboard is in the process of being developed which will support better understanding of intersectionality and lived experience, together with how these affected outcomes. This would enable staff to monitor in-year performance through student journey to enable any corrective actions to be taken. Benchmarks were available from the Association of Colleges, but tended to be out of date.
- 129 Insufficient data was collected currently on the profile of the community and, at the suggestion of a governor, would examine the data available from the Wirral Intelligence Service. The College was looking into how inclusivity and lived experience could be utilised to inform future activities.
- 130 The Director was asked to clarify the statement in section 2.1 regarding achievement levels of young males on Study Programmes. A governor questioned whether the ward uplift figures impacted on the College's funding and was advised that this was not the case, but the number of students claiming free school meals affected allocation levels.

Lucky Ali joined the meeting.

EQUALITY, DIVERSITY & INCLUSION POLICY

- 131 Governors received an updated version of the EDI Policy and noted that the next revision would include some of the points raised above.
- 132 The EDI Group had been revised and now focused on driving forward the College's strategy on EDI, instead of merely scrutinising past data.
- 133 It was agreed that the Quality & Standards Scrutiny Committee would receive regular updates on EDI and that the Policy would be reviewed annually.
- 134 **Resolved -** That the revised EDI Policy be approved

APPOINTMENT OF NEW GOVERNORS

- 135 The Governance Professional report that, following a recruitment process supported through the FE Commissioner's Office, members of the Governance & Search Committee had interviewed an individual with skills and experience in property/estates. It had been proposed to appoint Simon Price as a co-opted member of the Finance & Resources and Capital Transformation Working Group for a one-year term of office.
- 136 An election process had been held recently to fill the vacancy for a student governor. Ethan Stewart had been successful and would be appointed from this meeting until 31st July 2025.
- 137 **Resolved -**
- | | |
|---|---|
| 1 | That Simon Price be appointed as a co-opted member of the Finance & Resources Committee and the Capital Transformation Working Group for a one-year term of office commencing on 18 th December 2024 |
| 2 | That Ethan Stewart be appointed as student governor from 18 th December 2024 to 31 st July 2025 |

QUALITY & STANDARDS SCRUTINY COMMITTEE

- 137 The Chair of the Quality & Standards Scrutiny Committee gave a verbal report on the meeting held on 27th November 2024.
- 138 The Committee had considered the draft SAR and QIP in detail and had found it to be transparent and in line with previous reports to the Board. The documents had been well-structured and captured the essence of the College.
- 139 All the improvements set out in the SAR and QIP were already in progress and some 'green shoots' were apparent such as overall outcomes and apprenticeship outcomes. The quality of education had improved and reasonable progress had been made on careers guidance.
- 140 The priorities for 2024/2025 were attendance, student safety, teaching, learning and assessment (in which considerable investment had been made) and CPD activity. It had been noted that all outcomes were in a stronger position compared to the previous year.

FINANCE & RESOURCES COMMITTEE – 27TH NOVEMBER 2024

- 141 The Chair of the Finance & Resources Committee presented a verbal report on the meeting held on 27th November 2024.
- 142 The Committee had received the draft Financial Statements for 2023/2024 together with a detailed report. There had been a small number of outstanding items that required resolution prior to the final version of the Financial Statements being approved.

- 143 The External Auditor had highlighted the lack of supporting evidence on some capital procurement processes partly due to estates staff leaving without an effective handover. These items had now been completed and the Committee had suggested that the Audit Committee should consider the risks relating to procurement.
- 144 The September Management Accounts had been considered and the small reduction in the estimated surplus was noted, which was largely due to depreciation.
- 145 An update on estates and capital projects had been discussed. Some issues had been identified following a recent fire inspection at the Hamilton Campus, all of which had since been rectified. Fire drills were planned for each campus prior to the end of the Autumn Term and a report would be submitted to the Committee's next meeting on any resulting issues.
- 146 A list of estates/capital projects would be presented to each future meeting, RAG-rated in terms of progress and including costs and timescales. The Committee had been advised by the College's property consultant that all colleges were now expected to have a formal Estates Strategy, which was currently under development and would require approval by the Board.
- 147 Calculations on the College's space utilisation and future needs had been Undertaken as part of the capital project. The data indicated that there was a mix of excellent resources but that some modernisation was required.
- 148 An Environmental Sustainability Policy had been drafted and would be discussed by the Senior Leadership Team prior to being submitted to the Finance & Resources Committee for recommendation to the full Board.
- 149 Performance against some external metrics on Human Resources had been received (such as turnover and absence levels). The Gender Pay Gap Report for 2024 would be presented to the next meeting and had to be published in April 2025.
- 150 The recent "Wellfest" event had been successful, but it had been decided that a number of smaller-scale activities would take place in 2025/2026.
- 151 A review of all HR policies was underway and any relevant policies would be submitted for recommendation at the appropriate point in the year.
- 152 Progress with the partnership arrangements for the Towns Fund project had been noted, with a further update to the March 2025 meeting.

MANAGEMENT ACCOUNTS

- 153 Governors received for information the Management Accounts to 31st October 2024. These indicated that the College was estimated to generate a deficit of approximately £220K for 2024/2025. The Financial Health rating was 'Good' as the College's cash balance was relatively high (and included grant allocations for the current capital projects) and had no outstanding debts. A positive variance on pay of £200K was due to some vacancies not being filled but with no detriment to students.

- 154 The Vice-Principal Finance MIS & Estates presented proposals for a sub-contracting arrangement with Three-Dimensional Training (3DT) to deliver adult skills courses in 2024/2025 funded by the Liverpool Combined Authority.
- 132 The Board was reminded that an income budget of £3.079m had been set for LCRCA Adult Skills Funding in 2024/2025 and that this was consistent with the Curriculum Plan. The revised funding allocation was £3.584m, representing in-year growth of £0.505m.
- 133 In the current year the College had capped any taxi provision at c£0.700m (previous volume generated c£1.2m income) and due to poor quality of provision last year, it had limited the amount of English and Maths Functional Skills courses. This was considered to be a stretch target and it was likely that the College would not deliver the full funding allocation.
- 134 Following a review of forecast income for 2024/2025 based on current enrolments and potential income from new courses starting from January 2025 a gap of £0.263m was identified. The necessary due diligence process was carried out and an application submitted to the LCRCA to enter into a subcontracting arrangement with 3DT to deliver (devolved) AEB provision of upto £300k in 2024-25.
- 135 Under the ESFA regulations all sub-contracting arrangements required approval by the Board in advance of students being enrolled.
- 136 **Resolved -** That sub-contracting arrangements with 3DT for a maximum of £300k of devolved adult skills courses in 2024/2025 be approved.

Rory McCall joined the meeting.

AUDIT COMMITTEE – 4TH DECEMBER 2024

- 137 The Chair of the Audit Committee provided a verbal report on the meeting held on 4th December 2024.
- 138 The Committee had received the draft Financial Statements and had noted that there were a number of items still to be resolved at that point. The Internal Audit Annual Opinion for 2023/2024 had identified weaknesses in the internal control framework. It was important for the Board to recognise that the Internal Audit Plan for the year had diversified into other non-financial areas which management felt needed further development. The outcomes of the majority of these audits had been graded lower than in previous years. This was reflected in the Committee's Annual Report for 2023/2024. As a stand-alone assessment of the College's position the IA Annual Opinion provided a stark view: it was necessary to include contextualisation of the audit strategy that had been implemented by SLT.
- 139 The External Auditor had given unqualified opinions on both the Financial Statements and the Regularity audits. However, limited progress had been made on the implementation of previous recommendations.
- 140 A governor questioned whether the risks outlined above appeared on the risk register and was advised that the risk management process had improved significantly in 2024/2025, with the Committee receiving a detailed update at each meeting. A session on risk appetite would take place at the strategic event in January 2025.

- 141 It was agreed that the risks relevant to each committee would be considered on each meeting agenda in future. The management team was asked to consider which risks were material to the College's operation and these could be amended by the Board if necessary.

MANAGEMENT LETTER – FINANCIAL STATEMENTS 2023/2024

- 142 The External Auditor presented the Management Letter that accompanied the Financial Statements for 2023/2024, the original version of which had been discussed by the Audit Committee.
- 143 The College's overall position at the 2023/2024 year end was a surplus of £1.195m. The value of the Local Government Pension Scheme could be considered as an asset but was not recognised in the balance sheet due to accounting conventions for this item.
- 144 Governors were advised that there had been a number of post- balance sheet events, one of which was the outcome of the ESFA's funding audit. The latter had identified some errors in the data on apprenticeship funding and the ESFA now required a 100% sample check by its auditors, which could impact on the Board's ability to approve the financial statements.
- 145 Initially there had been one issue where evidence to support previous procurement processes could not be located due to staff in the estates department leaving the College. A recommendation had been made in the Management Letter and the Director of Finance had already taken corrective action.
- 146 The External Auditor confirmed that the College was considered to be a 'going concern' and that the procurement issue had no material impact on the Financial Statements.
- 147 Letters of Representation had been drafted the aim of which was for the Board to confirm that the auditors had been provided with all necessary information in preparing the Financial Statements and that governors were not aware of any further issues to bring to the auditor's attention.
- 148 A governor questioned the likely timescale for the additional work required on the apprenticeship records. The Vice-Principal Finance, MIS & Estates reported that he had been advised earlier in the day by the ESFA that a review of adult apprenticeships would also be undertaken shortly, as a sample had thrown up issues in 3 out of 15 records selected. It was likely to be the end of February before a 100% sample could be worked through.
- 149 The ESFA had been contacted to request an extension to the normal deadline of 31st December for the Board to approve the Financial Statements. In response to questions about the implications of this delay the External Auditor advised that there were no statutory issues associated with this and that the Board would be prudent to wait until the outcome of the ESFA audits were determined prior to proceeding.
- 150 The Vice-Principal had also asked the ESFA about the process involved in challenging its decision to require a 100% sample. Management had reviewed the records concerned and had found many of the examples in the data to be subjective. A negotiation usually took place between the employer and the College on the level of prior skills attainment for each apprentice. If an apprentice already had a Level 2

qualification and had undertaken a skills assessment, the employer had the authority to determine whether the apprentice should be enrolled on a Level 3 apprenticeship. The Board agreed that a robust defence would be required if the recommended action from management was to challenge the ESFA's decision on the 100% sample.

- 151 A governor commented that ESFA funding regulations were often quite prescriptive and asked at what point any clawback would take place, the likely scale and whether investigations may affect previous academic years. The Vice-Principal responded that the level of clawback would be approximately £180k, but there could be serious material consequences of the ESFA examining previous records.
- 152 Governors were reminded that there had already been some issues that had been identified and dealt with through audit recommendations, due to failings within the previous management team (for example, the rolling-forward of Functional Skills students who did not achieve their qualifications). The current difficulties needed to be contextualised and it was noted that it was often hard to obtain firm evidence on apprenticeships that had been undertaken 2 to 3 years ago.
- 153 A governor questioned whether the SLT was confident that the current paperwork was robust and this was confirmed by the Principal. However, there was still work to be done to improve apprenticeship processes further.
- 154 **Resolved –** That the approval of the Financial Statements be deferred until at least 28th February 2025, pending the receipt of further information from the ESFA

DATE OF NEXT MEETING

2nd. April 2025 4.30 p.m.

SIGNED



5th April 2025

CHAIR