

**MINUTES OF THE CORPORATION MEETING  
HELD ON MONDAY 15 DECEMBER 2008 AT 5.00 PM  
VENUE: ROOM D282 (ROEBURN SUITE)**

- Present:** Brian Jefferson (*Chair*)  
Frank Woodhams (*Vice Chair*)  
Angela Bathgate  
Roy Bayfield  
Pam Beswick  
Athene Heynes  
Paul Ineson  
Phil McGrath  
Alison Page  
Harsha Shukla  
Pat Thomas  
Vivien White  
David Wood (*Principal*)
- In attendance:** Richard Wise (*Ryder Architecture*) – *item 1 only*  
Peter France (*Director of Finance and Information Services*)  
Anne Purvis (*Deputy Principal, Curriculum and Standards*)  
Helen Deacon (*Director of Development [Learners and Curriculum]*)  
Stuart Rimmer (*Director of Quality Improvement and Marketing*)  
Julie Wilkinson (*Clerk to the Corporation*)  
Anne Coghlan (*Minuting Secretary*)

**1. PRESENTATION ON THE CAPITAL PROJECT – PROPOSED NEW BUILD**

The meeting commenced with a presentation from Richard Wise following a meeting with the Learning and Skills Council and their view that the College should consider the alternative of utilising some existing buildings.

**Option 8**

Art and Design would be maintained with two crescent buildings in the same area as option 7. There would be space for a large sports pitch near to the proposed M6 road link. With this option buildings could be 'zoned'. It was felt that this would be more compact with the front of the College near Morecambe Road and through the atrium.

Governors commented that the Art and Design building would be viewed first from the new M6 road link and the backs of the buildings from the Morecambe Road side. However, they were advised that the external envelope of the Art and Design building could be modified and dressed up in many different ways. It was also commented that there would be a long distance from the Sports Centre to the pitches and this section may need to be moved.

**Option 9**

This would involve maintaining the Art and Design building and building the atrium between Art and Design and one of the crescent buildings. The other crescent building would house the Lifestyle Centre. The major disadvantage of this option is that the majority of the buildings would face south causing problems with excessive sunlight and glare. There would be a smaller entry point to the atrium on Morecambe Road.

## **Option 10**

This would involve no curved buildings. Art and Design would be maintained with three other square or rectangular buildings linked to the atrium. Even though the existing buildings are not curved visual configuration colonnades could be used. This option is likely to cost the least with the front of the College in the atrium including a large lobby near Morecambe Road. This type of building will not be as flexible as the other options and the planners may take the view that the buildings are too close to the proposed M6 road link. Governors commented that this option created separate 'silo' type buildings which are what we have already with the existing campus.

It was felt that all options would allow for future expansion.

It was queried whether a wind profile would be necessary and this matter would be discussed with the engineers at the future sustainability workshop.

The Chair advised members that the Corporation needed to give Richard Wise guidance prior to the next meeting with the Learning and Skills Council.

Discussion took place on the College requirement for a six court Sports Hall as the current four court Sports Hall has limits to its usefulness, eg the gym and fitness centre not being located within the Sports Hall and can only be used for one activity at a time. It was felt that the Learning and Skills Council would require justification and a strong argument for demolishing the Sports Hall.

### **In summary Governors agreed:**

- **Option 7 was still the preferred option**
- **Option 8 was the fall-back option**

Governors stressed there was no third option and if the LSC did not accept either of these options, then the matter must be referred back to the Corporation.

## **2. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Sheila Campbell, Ainsley Cheetham, Danelle Marriot and Jonathan Price

## **3. MINUTES OF THE CORPORATION MEETING HELD ON MONDAY 17 NOVEMBER 2008**

The minutes of the previous meeting held on Monday 17 November 2008, paper LMC/C/35/08 were agreed as an accurate record and duly signed by the Chair.

## **4. MATTERS ARISING**

### **4.1 Update on OLASS Tender**

The Principal advised Governors that the main tender was submitted last week with Lancaster and Morecambe College as sole tenderer. The Information, Advice and Guidance tender is due to be submitted by 9 January 2009, but the College will be submitting before Christmas. The outcome on the tender process is likely to be known in March 2009.

### **4.2 Update on Membership of Sub-Committees of the Corporation**

The Chair reported on the revised membership as follows:

<i>Search and Governance Committee (Membership: 6)</i>	Athene Heynes Brian Jefferson Pat Thomas Vivien White David Wood Frank Woodhams	<i>Audit Committee (Membership: 6)</i>	Angela Bathgate Phil McGrath Pat Thomas Vivien White Joyce Tombs (external member) Vacancy
<i>Finance and Resources Committee (Membership: 6)</i>	Roy Bayfield Pam Beswick (Rachel Marsdin) Jon Price David Wood Frank Woodhams	<i>Remuneration Committee Membership (Membership: 6)</i>	Roy Bayfield Athene Heynes Alison Page Frank Woodhams Brian Jefferson (Rachel Marsdin)
			<i>In Attendance</i> David Wood
<i>Curriculum and Standards Committee (Membership: 6)</i>	Ainsley Cheetham Paul Ineson Brian Jefferson Alison Page Harsha Shukla David Wood	<i>Capital Projects Committee (membership: 6)</i>	Ainsley Cheetham Athene Heynes Paul Ineson Brian Jefferson Alison Page David Wood
	Student member in attendance		

The Chair asked Governors to consider the vacancy on the Audit Committee.

**Governors formally approved the revised membership with immediate effect.  
Action: Clerk to advise Governors of dates of committee meetings from January to July 2009.**

## **5. COLLEGE SELF-ASSESSMENT REPORT AND SERVICE SECTION VALIDATIONS**

The Director of Quality Improvement and Marketing referred Governors to the Self-Assessment report (Paper LMC/CS/40/08) and the summary sheet. He then gave a brief presentation covering:

- The table of judgements
- The Programme Area judgements
- Overall Assessment

Strengths – OLASS provision; Work-Based Learning; a responsive curriculum that meets local area needs; promotion of equality and diversity; strategies to improve weaker areas; financial management.

Areas for Improvement – low success rates on some programmes; focus on learner and learner progress; poorly planned and managed tutorials; the effective use of ILPs; rigour and consistency of action plans and target setting.

- **Key Question 1**

Strengths – overall College success rate has improved over the last four years; outstanding and improving success rates on adult Level 1 programmes; Adult Level 3 success rate above national average; success on Train to Gain improving.

Areas for Improvement – poor value added; Level 3 success rates at 16-18 below national average and declined from 2006/07; inconsistent success rate performance across some subject sector areas and individual courses; 16-18 Level 2 success rates below national average.

- **Key Question 2**

Strengths – good link between lesson observation findings and cross-college professional development opportunities to drive quality improvements; good practical sessions across the provision with activities reflecting current vocational practice; improvement in use of learning technologies as integral part of lessons to support learning.

Areas for Improvement – Some lesson observations failed to capture sufficient evidence to support staff improvement; under-development in weaker sessions of differentiation through individual target setting; lesson observations do not provide enough focus on learning and learner progress.

- **Key Question 3**

Strengths – A broad range of courses and progression routes are available across most/all curriculum areas; good links with employers and expanding employer focussed provision; learners have opportunities to improve provision through feedback.

Areas for Improvement – low progression to Level 3 in some areas; opportunities for work experience are low in some areas.

- **Key Question 4**

Strengths – Information provided to potential learners is accurate, informative and visually interesting through a variety of media; good additional learning support; good health and safety.

Areas for Improvement – Inconsistent application and development of college individual learning plan (ILP); inconsistent group tutorial delivery.

- **Key Question 5**

Strengths – Improving leadership and management at all levels; effective capacity to make improvements; effective and efficient management of the College's finances; effective and efficient curriculum business planning.

Areas for Improvement – Inconsistent success rate performance of curriculum areas; some under-development of effective quality improvement planning in course self-assessment reports; under-developed target setting and use of data to bring about improvements

- **Quality Improvement Plan** (page 26 of the Self-Assessment Report)

This much more defined. The actions and responsibilities have been reduced in length and are more focussed with clear outcomes and success criteria. An Academic Voice Forum will be formed in January 2009 which will give teachers an opportunity to share good practice and staff will be given the opportunity for development with more peer-to-peer observations. There will be more focus on tutorial entitlement for each learner.

Governors commented that this is not new and previous years have seen training sessions and professional development but there has still been insufficient improvement in some areas. It was accepted that the College has improved year on year and has no unsatisfactory areas but are now honing in and concentrating on the areas which are inconsistent.

Governors felt that the underlying inspiration to move staff forward should be through leadership within the academic areas. The Principal added that this year there will be increased focus on areas with poor success rates and drilling down within individual courses will take place to highlight under-performance.

The Chair stressed that Governors would find attendance at Self-Assessment Report Validations extremely beneficial and noticed that this year managers were asked more difficult questions and the whole process was more focussed. He added that the Self Assessment Report was one of the most important documents Governors will approve this year.

**The Corporation formally approved the College Self-Assessment Report Paper LMC/CS/40/08.**

### ITEMS FOR DECISION/APPROVAL

#### **6. DRAFT MINUTES OF THE FINANCE AND RESOURCES COMMITTEE MEETING HELD ON 1 DECEMBER 2008**

- **Management Accounts – September and October Paper LMC/FR/29/08**

These were in line with budget and the **Corporation noted the Management Accounts.**

- **Lancashire Colleges Consortium Annual Accounts Paper LMC/FR/30/08**

Since Lancaster and Morecambe College is a member of the Lancashire Colleges Consortium the **Corporation received and noted the annual accounts.**

- **Annual Review of Local Government Pension Scheme Paper LMC/FR/31/08**

Two minor changes were noted:

- New Part A, Regulation 18 regarding flexible retirement. The scheme allows members who have attained the age of 55 (or from age 50 if the retirement is before April 2010 and employment commenced no later than 31 March 2008) to draw all or part of their retirement benefits under flexible retirement arrangements providing the employer consents and there has been a reduction in hours or grade.
- New Part E, Regulation 5 regarding contributions payable by active members. This states that active members shall make contributions to the Scheme at the contribution rate from his pensionable pay. The contribution rate to be applied in any financial year is the rate determined by the employer to represent the assumed pensionable pay for the forthcoming year.

**The Corporation approved the Local Government Pension Scheme Paper LMC/FR/31/08.**

- **2009 Pay Awards**

The Chair referred Governors to the paper LMC/FR/32/08 and highlighted:

- The Association of Colleges (AoC) have recommended a pay award of 3.2% paid from 1 October 2008 covering the period 1 August 2008 – 31 July 2009. This equates to an increase of 2.66% for the full year.
- The proposed pay award is below inflation, which is exceptionally high at the current time.
- LSC Funding is budgeted to increase by 1.48% across the College's range of core provision.
- The total cost of the increase will be over and above the total increase in College income.
- The College's budget includes provision for a 2.5% pay award.

- It will cost the College an extra £17k per additional percentage and it is not recommended that the College go above this.

**All Governors supported and approved the pay award of 2.66% commencing 1 January 2009.**

- **Proposed Fees Policy**

The Chair referred Governors to Paper LMC/FR/33/08 and highlighted the key issues:

- It is recommended that the flat rate tuition and registration fees for 19+ learners is increased to £312, an increase of 5%. This is owing to the same percentage increase in the College's registration costs.
- Part-time tuition fees are charged on the basis of an hourly rate of £3.40, currently charged at £3.04.
- NVQ fees, where applicable, are consolidated into a single tuition and registration fee of £500.
- The College has very little part-time provision as this is a low LSC priority.

In answer to a question, the Director of Finance and Information Services confirmed that of 362 adult learners, approximately 100 pay their own fees.

**11 Governors voted in favour of the proposed increase in fees and 2 Governors voted against.**

**Therefore, the fees policy for 2009 Paper LMC/FR/33/08 was approved.**

- **College Annual Report and Financial Statements for 2007/08: 1 August 2007 – 31 July 2008**

There had been no adjustments made to the accounts Paper LMC/FR/34/08

There were a couple of minor items, which were not significant enough to cause the figures to be changed.

In 2007/08, the College did not achieve all its 16-18 learner number targets. Key adult targets for full Level 2 and full Level 3 were achieved. The College was below target for delivery of Work Based Learning and Train to Gain contracts and delivered 97% of contracted hours under the OLASS contract.

The College has tried and tested processes for Corporate Governance and internal controls.

The auditor confirmed their opinion will be provided in accordance with the correct Codes of Practice.

Further to the requirements of the LSC, it is the auditor's opinion, in all material respects the expenditure and income for the year ended 31 July 2008 have been applied to purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

The income and expenditure account shows a strong performance, with increased income. No adjustments have been made to the figures.

The historical cost surplus on page 19 represents additional depreciation.

The biggest impact on the balance sheet is the actuarial loss in respect of the pension scheme, standing at £1,715k. The net pension liability now stands at £5,588k.

There is a healthy surplus for the year with cash inflow from operating activities at £2,182k, with not many colleges having over £8m in the bank.

The auditor commented that the College is generating health amounts of cash and this is being invested in the College, eg IT upgrades and the amount of interest received from investments has increase.

**The Corporation formally approved the Annual Report and Financial Statements 2007/08, Paper LMC/FF/34/08.**

**7. DRAFT MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON 1 DECEMBER 2008**

In the absence of the Chair for the meeting on 1 December 2008 the Director of Finance and Information Services referred to paper LMC/A/36/08 and reported that Internal Auditors had no recommendations in respect of the Internal Audit on Governance, providing substantial assurance.

- **Financial Management and Control Evaluation (FMCE)**

The Director of Finance and Information referred to paper LMC/A/32/08 explained that the report was presented at the Audit Committee, who agreed grades for the various sections of the report.

<b>Area</b>	<b>Section</b>	<b>Grade</b> (Outstanding/ Good/ Satisfactory/ Inadequate/ N/A)
1. Accountability	1.1 Strategic Oversight	Good
1. Accountability	1.2 Operational Oversight	Good
1. Accountability	1.3 Subcontracting Arrangements	Satisfactory
2. Financial Planning	2.1 Long-term Financial Planning	Good
2. Financial Planning	2.2 Short-term Financial Planning	Outstanding
3. Internal Control	3.1 Risk Management	Good
3. Internal Control	3.2 Internal Control System	Good
4. Financial Monitoring	4.1 Financial Monitoring	Good

The overall, self assessed grading for financial management and control is good, which is consistent with the PFA (Provider Financial Assurance) report.

The final PFA inspection report has not yet been received but there was only one 'merits attention', which was for all audit reports to be presented to the Audit Committee, as some have been sent directly to the relevant department.

The new report ties in with the Framework for Excellence process.

**The Corporation formally approved the Financial Management Control Evaluation Self-Assessment (FMCE) Paper LMC/A/32/08.**

- **Freedom of Information Act (FOIA)**

The Clerk referred to paper LMC/A/33/08 and advised Governors that the current Model Publication Scheme ends on 31 December 2008 and the new model scheme comes into effect on 1 January 2009.

Failure to adopt the model will result in the College being in breach of the Freedom of Information Act.

If adopted, the College will place a link on its website to the model scheme. The College will then produce a guide stating: what information we hold, publish or intend to publish; how the information will be published, eg on-line or hard paper copy; if there are any charges for the information (eg photocopying and postal charges).

The College guide will be based on the Definition Document for the Model Publication Scheme for Colleges of Further Education.

**The Corporation formally approved the Model Publication Scheme Paper LMC/A/33/08**

- **Financial Statements Auditor Management Letter and Regulatory Auditors (Opinion) Management Report**

The Review of Income and Expenditure and the Review of Balance Sheet provide a commentary to put the financial results into context.

The audit and accounting issues identified at the planning stage provides a summary of the work, which has been carried out as planned with no issues arising.

No areas of internal control weakness, which should be brought to the attention of the Audit Committee, have been identified.

Two key risks/exposures to the College were identified as the failure to renew the OLASS contract and the building of a new road through the site leading to a compulsory purchase order.

**The Corporation formally approved the Auditors' Management Letter and Management Report Paper LMC/A/34/08.**

**8. DRAFT MINUTES OF THE CURRICULUM AND STANDARDS COMMITTEE MEETING HELD ON 8 DECEMBER 2008**

- **Curriculum Review Paper LMC/CS/39/08**

The Committee looked at the College's overall provision; the decision to withdraw from GCE A Levels and International Baccalaureate provision; work with schools; 16-19 learner responsiveness provision; apprenticeships; young people not in education and employment (NEET); adult learner responsiveness provision; employer responsiveness provision; higher education.

Governors expressed concern about the time delay before the College is able to re-apply for the Training Standard. The Principal stated that the College is now working with Accrington and Rossendale College who have already obtained the Standard.

- **Student Attendance and Retention Report Paper LMC/CS/41/08**

This was discussed in detail including the revised role of the HELP Team in managing withdrawals.

Concern was expressed about the number of E2E withdrawals, however this had been due to a reporting problem which had now been resolved.

Procedures have been put in place where students can transfer/have a safety net to ensure they do not drop into the NEET (not in employment, education or training) group.

- **Student Destinations Report Paper LMC/CS/42/08**

This report details the destinations of all students when they leave College.

**The Corporation received, accepted and formally approved the Curriculum and Standards Committee Minutes and papers.**

9. **DRAFT MINUTES OF THE SEARCH AND GOVERNANCE COMMITTEE MEETING HELD ON 24 NOVEMBER 2008**

The Chair reported on the meeting, fully identified in the minutes.

**The Corporation approved the appointment of Rachel Marsdin with immediate effect, term of office 1 April 2009 – 31 March 2013. Mrs Marsdin will be a member of the Finance and Resources Committee.**

**Action: Clerk to write to Mrs Marsdin accordingly.**

It was also noted that due to inconsistency of answers to the skills audit, it was felt some Governors had difficulty in answering questions and therefore the next audit would be briefed by the Chair.

**The Corporation received, accepted and formally approved the Search and Governance Committee Minutes and papers.**

**FOR INFORMATION ONLY**

10. **ANY OTHER BUSINESS**

In response to a question posed by Athene Heynes, it was felt that the College is adequately protected with regard to legal issues concerning the Nursery.

11. **DATE OF NEXT MEETING**

**Monday 23 March 2009 at 5.30pm**

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The Committee agrees that these minutes are an accurate record of the meeting.

SIGNED .....

NAME Brian Jefferson MBE (Chair)

DATE