

CORPORATION AGENDA

Tuesday 01 December 2020 at 5.30pm, Virtual through Microsoft Teams

In attendance: Julian Filizanowski (Student Observer pending Student Governor application)

Governors are reminded of the College's commitment to equality, diversity and inclusion and the need to consider these issues, along with health and safety, in all Corporation business.

Standing Items

1. Welcome and Apologies for Absence

2. Declarations of Conflict of Interests

Governors must declare any interest in any agenda items, where there could be a conflict of interest. For any such declaration, they may be requested to withdraw from the meeting for the discussion/decision on that specific item and will not be eligible to vote on the matter under discussion.

3. Draft Minutes of the Previous Meeting held on 20 October 2020 (Paper LMC/C/30/20 refers) *(for approval)*

4. Matters Arising

- Mandatory Responsibilities: Health & Safety, Safeguarding & Equality, Diversity & Inclusion
- Corporation Action Checklist (Paper LMC/C/31/20 refers) *(for agreement)*

Presentation

5. Update on the Development of the Morecambe Bay Curriculum and the Eden Project (Oral Presentation by Professor Robert Barratt and Wes Johnson)

Performance Monitoring

6. Principal's Strategic Overview (Paper LMC/C/32/20 refers) *(for discussion)*

7. Performance Monitoring Report; Curriculum & Innovation, Personal Development & Welfare, Apprenticeships & Employer Engagement (Paper LMC/C/33/20 refers) *(for discussion)*

8. Review of College Performance 2019/20

- College Self-Assessment Report (Paper LMC/C/34/20 refers) *(for approval)*
- Quality Improvement Plan 2019/20 Final Outturns (Paper LMC/C/35/20 refers) *(for discussion)*
- Proposed Quality Improvement Plan 2020/21 (Paper LMC/C/36/20 refers) *(for approval)*

9. Achievement Outturns Against Strategic Objectives 2019/20 (Paper LMC/C/37/20 refers) *(for discussion)*

10. Governance Self-Assessment 2019/20 (Paper LMC/C/38/20 refers) *(for approval) (Paper to follow)*

Statutory Responsibilities

11. Draft Minutes of the Audit and Risk Assurance Committee Meeting held on 17 November 2020 (Paper LMC/A/10/20 refers)

- Annual Report 2019/20 of the Audit Committee (Paper LMC/A/03/20 refers) *(to note)*
- Internal Audit Annual Plan 2020/21 (Paper LMC/A/05/20 refers) *(for approval)*
- Audit Findings Report (Financial Statements Auditor Management Letter and Regularity Auditors (Opinion) Management Report) (Paper LMC/A/06/20 refers) *(for approval)*
- Annual Report on Risk Management, including Review of Risk Management Policy (Paper LMC/A/08/20 refers) *(for approval)*

12. **College Annual Report and Financial Statements 2019/20; 1 August 2019 to 31 July 2020**
(Paper LMC/C/39/20 refers) *(for approval)*
13. **Corporate Services Report** (Paper LMC/C/40/20 refers) *(for discussion)*
14. **Latest Management Accounts, Funding Key Performance Indicators and Cashflow Forecast to December 2021** (Paper LMC/C/41/20 refers) *(for discussion)*
15. **Education and Skills Funding Agency Financial Confirmation** (Paper LMC/C/42/20 refers) *(for noting)*
16. **Annual Report on Equality, Diversity and Inclusion** (Paper LMC/C/43/20 refers) *(for discussion)*
17. **Marketing Analysis of FE Enrolments 2020** (Paper LMC/C/44/20 refers) *(for discussion)*
18. **Gender Pay Gap Reporting 2019/20** (Paper LMC/C/45/20 refers) *(for approval)*
19. **Proposal for 2020/21 Pay Award** (Paper LMC/C/46/20 refers) *(for approval)*
20. **Any Other Business**

For Information
21. **Date of Next Meeting**
Tuesday 26 January 2021, 5.30pm through Teams
22. **Reflections on the Meeting Against College Mission, Values and Strategic Objectives**

NON-CONFIDENTIAL MINUTES OF THE CORPORATION MEETING HELD ON 01 DECEMBER 2020 (Virtual Meeting held through Microsoft Teams)

Present:

Claire Povah (<i>Chair</i>))
Ian Haines (<i>Vice-Chair</i>))
Thelma Aye)
Robert Barratt)
Tim Cross)
Peter McKenzie) External Governors
Yak Patel)
Lindsay Price)
Jane Taylor)
Steve Wood)
Louise Evans) Support Staff Governor
Ryann Williams) Academic Staff Governor
Wes Johnson) Principal

In attendance:

Julian Filizanowski	Student Observer
Angela Bathgate	Director of HR Strategy and Support
Maggie Dodd	Director of Personal Development and Welfare
Peter France	Vice-Principal Finance and Resources
Iain Parkinson	Director of Curriculum and Innovation
Charlotte Rawes	Director of Apprenticeships and Employer Engagement
Oona Cushen	Governance Adviser and Clerk

STANDING ITEMS

WELCOME AND APOLOGIES FOR ABSENCE

C/20/209 The Chair welcomed everyone to the meeting and, in particular, Julian Filizanowski, who was observing the meeting prior to submitting an application for the role of Student Governor. All present were reminded to mute their microphone when not speaking and to use the chat room or 'raise your hand' facility to ask questions or pass comment. The Director of HR Strategy and Support remains on standby to take over the clerking duties, should the Governance Adviser lose connection at any time. There were no apologies for absence, but Jane Taylor will be joining the meeting late due to a prior work commitment.

DECLARATIONS OF CONFLICT OF INTERESTS

C/20/210 Conflicts of interests were declared for Ian Haines (EDF Energy), Rob Barratt (Lancaster University and Eden Project), Tim Cross (Ripley Teaching School Alliance), Jane Taylor (Lancaster University) and Steve Wood (University of Cumbria). There are no other known other conflicts of interest.

DRAFT MINUTES OF THE PREVIOUS MEETING HELD ON 20 OCTOBER 2020

C/20/211 The Chair referred members to paper LMC/C/30/20 and advised that no amendments had been received.

C/20/212 The minutes of the previous meeting, held on 20 October 2020, paper LMC/C/30/20, were agreed as a true and accurate record. The Chair's electronic signature will be applied to the minutes.

MATTERS ARISING

Mandatory Responsibilities: Health and Safety, Safeguarding and Equality, Diversity and Inclusion

- C/20/213 This item provides Governors or senior managers with the opportunity to raise any concerns that have arisen since the previous meeting, in regards to the Corporation's statutory responsibilities, which are not covered within the standard reports. There were no issues raised under this item.

Corporation Action Checklist

- C/20/214 The Governance Adviser referred members to paper LMC/C/31/20 and advised that the majority of items were now complete and the items for publication should be issued prior to the end of term.
- C/20/215 **The Corporation discussed and agreed the Corporation Action Checklist; paper LMC/C/31/20.**

PRESENTATION

UPDATE ON THE DEVELOPMENT OF THE MORECAMBE BAY CURRICULUM AND THE EDEN PROJECT

- C/20/216 The Principal advised that Governors will have received Professor Barratt's slide set, presented to Lancaster University staff, as background information. The College has been working with the Eden Project since November 2018 and, particularly with Professor Barratt. It was clear, from very early days, that there was potential for something special to develop in the form of the Morecambe Bay Curriculum (MBC), which would bring together the values of the College, the Eden Project and of most educational, business and community organisations in the area. The project has since gained real momentum, with buy-in from all sectors. Professor Barratt's role with Eden transitioned into a joint role with Lancaster University and this has helped to strengthen the College's relationships with both Lancaster University and the University of Cumbria, both of whom sit on the Executive Steering Group for the Morecambe Bay Curriculum project. The project has already been commended through the Association of Colleges Beacon Awards and has been taken forward as a finalist. There will be a full day of scrutiny by the Beacon Award assessors on 15 January 2021, with the winner being announced in the Spring.
- C/20/217 Professor Barratt proceeded to provide a broad overview of the project, its direction of travel and an update on the current position. Lancaster University is preparing to disseminate the presentation and this will be provided to Governors, once received. Eden Project North was not mentioned in the budget statement last week in relation to the 'Building Back Better' agenda, but the recently submitted business case has had a positive reception. David Morris, Member of Parliament for Morecambe and Lunesdale, has secured a meeting with the Chancellor to explore the proposal and business case, with a view to a positive response in the Spring spending review. Much work is ongoing locally, not just in relation to the Morecambe Bay Curriculum, but also with the Chamber of Commerce and schools lobbying for project funding. The intention, despite Covid, in ensuring that the Eden Project North initiative is part of the regional economic response is well on track.
- C/20/218 The Eden Project has increased its profile presence through public consultations and Lancaster University, as the academic partner, is scaling up its internal infrastructure for the project. The presentation given last week introduced the Morecambe Bay Curriculum to all university faculties, to enable them to consider their own current areas of activity and future direction of travel within their strategic plans to better align the University with the community and the Bay focused curriculum.

- C/20/219 The scope of the project, its partners, content and concept, purpose and impact was explained, including modern pedagogy and andragogy, professional development and the project's next steps. The existing Eden Project North partners comprise Lancaster University, Lancaster City Council, Lancashire County Council and the Local Enterprise Partnership (LEP). A business case for £70m Government funding has been submitted and the whole project is estimated to cost in the region of £125m. The expectation is that the project, if constructed, will generate in excess of £200m in income across the region. The first mussel building will be owned by Lancaster University, but will reflect the Morecambe Bay Curriculum and educational offer.
- C/20/220 There is an expectation that Eden Project North will be responsible for employing a significant number of local people and hence the development of the Morecambe Bay Curriculum, alongside the current curriculum offer. Eden-endorsed traineeships are being developed with Furness College and Myerscough College, with the aim of bringing people back into the education system. The traineeships will be underwritten by Eden and will provide the relevant skills, knowledge and behaviours for trainees to meet the minimum employment criteria for Eden or its supply chain. Pathways to apprenticeships and degree apprenticeships are also being developed with the University of Cumbria and Lancaster University. There is currently a public consultation on consideration of a unitary authority for North Lancashire and Cumbria (Lancaster City Council, South Lakeland District Council and Barrow-in-Furness Borough Council). The Morecambe Bay Curriculum brings these partners together, working in collaboration and in advance of that notion of a unitary authority indicative of collaboration around the Bay. All partners of Eden Project North share the strategic agenda for educational priorities for those living around Morecambe Bay. The unitary authority reflects the direction of travel and aspirations of key education partners.
- C/20/221 Contained within the slides is the current performance profile for Lancashire from the joint assessment network, showing where there is over and under-performance against national benchmarking data. There are known issues related to progression and engagement in schools, and Covid has significantly impacted the performance of young people in the school system. Schools are concerned about young people's deficit in the skills, knowledge and behaviours required to lead into employment, Further or Higher Education. Teachers in primary and secondary schools are trying to mitigate the different stages of education that have been compromised, as well as minimise the impact on young people's mental health. Disengaged young people are vulnerable to external and different influences and safety is a major concern. One of the most concerning issues is the lack of engagement and participation of medium and high-level school learners, not necessarily considered as those that would be affected, and demonstrates that resilience in learners of all levels is just not there.
- C/20/222 The impact of Covid has significantly exacerbated the situation, leading to regression in literacy, behaviour and learning. Referrals to social care, e.g. for domestic neglect or abuse, have increased. Covid has impacted upon the efficacy or resilience of the education system per se, and the second lockdown is likely to impact the most vulnerable. Educators need to think differently and ensure the education system is better prepared to mitigate this impact. 'The Great Reset' is a world debate and will include the education sector, regionally and nationally, thinking about how it responds to big issues, e.g. health sector, business, community and environment etc. Fundamentally, LMC is the lead partner in relation to the skills agenda, in partnership with other colleges and universities, and is mindful to shape the Morecambe Bay Curriculum from a future perspective, considering what roles there may be and what they will look like in the future, to ensure pathways are created with employers and community that match the future jobs market and provide a route into Higher Education. There are lots of human stories from affected young people in the area and the difficult situations they found themselves in through no fault of their own. This initiative aims to move them out of those difficulties into more positive circumstances. The College's values are essential and there is a moral imperative to work with the community, in health and business, to make that positive difference.

- C/20/223 The College is at the centre of the consultation process with all partners (Lancaster University, University of Cumbria, Furness College, Myerscough College, early years providers, primary and secondary schools, the Clinical Commissioning Group, Chamber of Commerce, Local Enterprise Partnership (LEP) and the Prince's Trust) to bring together a coherent strategy to impact positively on young people's futures. Working parties meet regularly and the over-arching steering group on strategic direction is chaired by the Principal. This is an iterative process to build trust and to take responsibility, ownership and collaboration through shared values to positively impact on Morecambe Bay residents and young people.
- C/20/224 Phases one and two have created a significant level of awareness and engagement with education providers and business. The College has signed a 25-year agreement, with 5-year milestones, building a network of partners that are working together within this lifetime to make something different happen, using Eden as the main driver to become a model of innovation in research that is economically viable and inspirational. The community collaboration should lead to regeneration of the area, improved food security and mental health and wellbeing and will impact directly on the ecosystem through a social capital building project.
- C/20/225 There is a notion of a Morecambe Bay Curriculum citizen, that will have a set of values that enable them to work empathetically with others to create sustainable professional, educational and technical solutions to make the Bay a healthy place to live. Learners should come out of the education system with the necessary aptitudes and competencies. There is a multitude of current projects, including the 'Half Acre' project, led by LMC, to utilise the land at the rear of the College to develop a horticulture curriculum that will support young people and adults back into the education system, be a therapeutic space for wellbeing as well as enabling food production, research and development space. This project will provide an additional link between the community and the College to enable learners to develop relationships and skills in a caring and nurturing way that lead into a viable trade or onto a further educational path.
- C/20/226 There is a whole College initiative to explore a community health centre, based at Ryelands, with a parallel project running in Barrow-in-Furness. Both projects should provide the opportunity to develop learners with skillsets to become employees of the National Health Service, through the provision of practical real-world experiences and centre training, both of which will also service community needs. Hugh Baird model was constructed by its community to reduce hospital admissions and this initiative will follow the health and community agenda, but with a Bay perspective.
- C/20/227 The Eden-endorsed traineeships have three strands giving added value to those that graduate from them, global citizenship, entrepreneurship and sustainability. The Director of Apprenticeships and Employer Engagement has been instrumental in co-ordinating the model.

In response to Governors' scrutiny and challenge, the following points were highlighted:

- C/20/228 Although there is an increasing number of secondary schools forming one academy trust, Sally Kenyon from Bay Learning Trust has been involved with the project from the beginning, along with Central Lancaster High School and most other secondaries. The Lancashire secondary schools now meet with Cumbria secondaries as one single working party. Morecambe Bay Academy has also secured a £50k grant from the Edge Foundation to release one of their senior teachers for two years to specifically work on the development of the secondary schools Morecambe Bay Curriculum offer, including internships for their students. This will also include working with the Director of Apprenticeships and Employer Engagement in regards to the Eden passport evidence experience as credits alongside any other qualifications to carry onto the next level.
- C/20/229 The meeting with Lancaster University staff was a closed meeting, but there has been so much interest that the University are working on making a recording available externally to interested parties. This will be shared with Governors when available.

C/20/230 There was an item raised for confidential discussion by Corporation members only under section 36 of the Freedom of Information Act. Paragraphs C/20/231 to C/20/233 are, therefore, minuted separately.

ACTION: *Governance Adviser to circulate Professor Barratt's recorded presentation when received.*

ACTION: *Eden Project North and the Morecambe Bay Curriculum to be added to the agenda for the January 2021 meeting of the Corporation, specifically to address Governors' questions, once the slides have been fully reviewed and the recorded presentation circulated.*

PERFORMANCE MONITORING

PRINCIPAL'S STRATEGIC OVERVIEW

C/20/234 The Principal referred Governors to paper LMC/C/32/20 and advised that the confidential section of the report is for Corporation members only under sections 22 and 41 of the Freedom of Information Act. These are very challenging times for both staff and students, with daily uncertainties and pressures making it hard to plan. The College remains committed to ensuring the health, safety and wellbeing of students and staff and to delivering the vast majority of provision face to face. Full on-site delivery is not the norm across Lancashire and the College has been commended by the Education and Skills Funding Agency (ESFA) for doing so. Progress continues with strategic developments and the Principal is currently undertaking consultations with all teams in regards to their own area's strategic planning for the next five years to inform the College's 2021-26 plan. Underpinning the new plan will be new and updated strategies for people, IT and the estate. Despite the current circumstances, all teams are engaging with the process in a very positive manner.

In response to Governors' scrutiny and challenge, the following points were highlighted:

C/20/235 Governors were pleased with the College's efforts in maintaining safe face-to-face teaching across the whole College, as well the development of a youth hub as outlined.

C/20/236 The College held a meeting with the local Police recently and it is reported that drug activity in the area remains significant.

C/20/237 The FE Commissioner's team is due to make a virtual visit to the College on 07 December 2020. Since the previous visit in December 2019, the College has secured Ofsted 'Good' and a positive financial position. A number of Governors will be involved on the day and it is hoped that this may be their final visit. There are many good news stories and the College should adopt a bold approach and be proud of its achievements.

C/20/238 The Corporation received and discussed the Principal's Strategic Overview, paper LMC/C/32/20.

PERFORMANCE MONITORING REPORT; CURRICULUM & INNOVATION, PERSONAL DEVELOPMENT & WELFARE AND APPRENTICESHIPS & EMPLOYER ENGAGEMENT

C/20/239 The Director of Curriculum and Innovation referred members to paper LMC/C/33/20 and advised that attendance is maintaining a good level, even learners self-isolating off-site have been linking in well to remote delivery and this is very pleasing and positive for the College. Learners are keen and motivated to come into College and work, as this is one of the few places that young people can meet together and this is having a positive impact on attendance. Current attendance is aligned with this time last year. There has been mixed achievement this year through remote learning, but skills-based provision and apprenticeships have been hit hard. Learners with an Education, Health and Care Plan (EHCP) have also seen a significant impact on their learning opportunities.

C/20/240 The short Ofsted remote visits, looking at colleges' response to Covid, end next week, with the intention that full inspections will re-start from 11 January 2021. The key aspect now is to understand key findings from those Ofsted visits and to garner best practice from other colleges, not just on short-term remote learning but with a view to a longer term sustained development to incorporate into teaching, learning and assessment practice and where LMC is currently positioned. The number of learners being worked with through remote learning is increasing, as learners and staff become required to self-isolate. The College has set up a group of facilitators cross-college to support remote delivery and improve tutors' digital skills. As part of a wider collaboration with Hugh Baird College, Health and Social Care learners will link up with their counterparts for a joint session delivered by Hugh Baird staff. This will then be reciprocated in January 2021 with a mirrored session being taught by LMC staff. The aim is to identify best working practices across college teams and within the Health and Social Care sector. Covid had a significant impact on work placements last year, with many employers closing down from March 2020, with overall work placement falling from 95% in 2018/19 to just 50% in 2019/20. Delivery under the Capacity and Delivery Fund (CDF) stands at 28%, and completion remains very difficult this year, but teams are looking at a number of ways to overcome the barriers.

Jane Taylor joined the meeting.

C/20/241 The GCSE maths exams were better attended than the GCSE English resits, which were impacted by some learners self-isolating. For a number of learners taking English, this will have been their first ever GCSE exam and some, at the last minute, opted out. The concerns around some Level 3 learners having received inflated grades are now coming to fruition, but the College will use the catch-up funding to undertake small group work and to add further support to young people on maths and English across all curriculum areas. This work will continue next term. There is a correction on page four of the report relating to Functional Skills Adult Learners, where the third bullet point should read a decrease in Level 1 English achievement. There is a significant number of diverse safeguarding alerts, including a rise in anxiety and family struggles. Learners are referred to agencies outside of College for as much support as possible. The national threat level has been raised, and information has been provided and shared with learners. There is also a new website being launched around Prevent, which is aimed at friends and family groups, mainly of 16 to 30 year olds, advising of potential warning signs to look for, e.g. changes in behaviour. This age group is deemed to be more susceptible to being groomed online. There are regular meetings with the local Police to talk about general issues in the area and they have advised that there is still significant drug use in the area which has not shown any decrease during Covid. There was a major drugs haul recently in Barrow-in-Furness, but with connections in general to the Morecambe Bay area. The Police continue their work in this area.

C/20/242 Apprenticeship recruitment has been significantly impacted, but the engagement team are working with employers to distribute further information. There will also be a big campaign this week on social media, focusing on apprenticeships. There has been a huge decrease in the number of 16-18 year olds coming from schools to join apprenticeships. The team will be working with schools going forward on how young people in schools can be supported in readiness for joining an apprenticeship, as employability skills gained through part-time jobs have been not there this year, so it will be how those skills can be developed differently. The Kickstart Scheme is helping towards these; there are around 90 placement vacancies currently created through the scheme and many of these are with small to medium businesses that have not worked with the College before. It is hoped these placements will then develop into apprenticeships or further training opportunities to support young people. The College is still waiting to hear from the Department for Work and Pensions (DWP) as to whether it has been approved for the Kickstart Scheme, since its first submission on 20 September 2020.

C/20/243 Apprenticeship retention has also been impacted by Covid, and this will impact on College data for, potentially, the next two years. The team will continue to report and analyse the data, and ensure the volume affected is also reported within the funding returns, to ensure central agencies know the extent of the impact. At the meeting with Bev Barlow, questions were raised about the pandemic's impact on apprenticeship data for a number of years. Ofsted is aware of this and has advised colleges to focus on the teaching and learning, as opposed to data. On a more positive note, 26% of those involved with the Leading Lancashire project come from within the Lancaster district, so this project is having a huge positive impact on the local area. The Banks Lyon Memorial Trust has very generously donated £35k to the College; £10k to support apprenticeship hardship for those apprentices that have lost their jobs, and a further £25k to support digital poverty. This was an increase from the £15k originally requested by the College.

In response to Governors' scrutiny and challenge, the following points were highlighted:

C/20/244 The final week of term is when learners often start to go into crisis. The College is very aware that staff also need a proper break, and so will be using all of the support mechanisms available to learners. These include additional safeguarding forums, information on the College website and contact details for external agencies. Where staff make themselves available, they will undertake as much safeguarding as possible but will also refer learners straight to external agencies for support. For those learners that the team are already aware of, staff will meet with these prior to the end of term to ensure they are in the most positive place possible. Staff underwent Encompass training last week, and will eventually receive email notifications on domestic violence incidences etc. The College already receives notification on major police activity if it involves a specific learner so additional support can be put in place.

C/20/245 Governors had seen the good Twitter presence in regards to apprenticeships, but recognised that these will continue to be affected by the impact of Covid. Further action and a long-term view over the next five years, from a strategic position, should be considered although will be reliant, to some extent, on Government intervention. In the short term, LMC is one of only two colleges in the North West that has applied to be part of the Kickstart Scheme and it is hoped this work will lead to an increase in apprenticeships in the future. Another strategy is to access levy payers who have spare levy funding available, e.g. Lancaster University, and to help them use this funding on smaller schemes to benefit small to medium businesses locally. Apprenticeships did start to recover in September, but then Lancashire was placed into Tier 3 restrictions, followed by a second national lockdown. Businesses are struggling but had seen 'light at the end of the tunnel'. The engagement team understand employers and what they need and if funding streams need to be re-addressed, this will be done as much as possible. With the reduction in apprenticeships, the Director of Apprenticeships and Employer Engagement is also looking at how to utilise staff differently until apprenticeships begin to recover.

C/20/246 Aspire attendance is coded red as, although it has increased, it remains below College target.

C/20/247 Youth volunteering is a balance between young people needing an income from a part-time or 'Saturday' job, and gaining essential skills, being active and getting involved in a volunteering role. There is currently no dedicated strategy for youth volunteering across the City and this needs opportunities and partnerships across all sectors to be involved. Different sectors are discussing the same ideas, so there needs to be careful planning and training put in to a co-ordinated approach. All young people would benefit from some volunteering experience and from giving time to others. Opportunities and innovate experiences need to be created to really help young people during this time. Although time and resources would need committing to the aim, it is quite achievable.

- C/20/248 Youth volunteering is something that should be included in the next strategic plan, as it is thought many young people will volunteer at some point. The Student Observer suggested that it may be useful to arrange a questionnaire, asking young people about activities that they would wish to do in respect of volunteering. There is a variety of activities that many young people would probably engage in, but this is being limited at the moment due to Covid restrictions. The Academic Staff Governor advised that there is a waiting list of young people in construction that wish to volunteer and engage with local businesses. Out of 54 employers contacted, only five were willing to offer opportunities due to Covid restrictions, but almost all of the employers, however, said they would consider placements in the New Year. The Support Staff Governor advised that the College itself has several projects that would benefit from on-site learner volunteers. As part of its new strategy, Lancaster University is meeting with more local community groups, small businesses and other interested parties within the City to deliver volunteering activities.
- C/20/249 The Student Observer noted the possibility of inflated grades and that the College had good resources to help under-achieving pupils. It is important, however, to remember that there are also very capable students who achieved well above target and these students should also have sufficient resources to be challenged. The Director of Personal Development and Welfare advised that good teaching, learning and assessment should address that, but there are additional curriculum resources as well. Curriculum teams have worked hard on 'stretch and challenge' over the last few years, particularly on extending learners' skills and on recording that progress. A-Level maths has also been introduced this year for the Level 3 Engineering group, to specifically extend learners across the two years of their programme.
- C/20/250 The Directors were thanked for their very detailed and useful reports.
- C/20/251 The Corporation received and discussed the Performance Monitoring Report; Curriculum and Innovation, Personal Development and Welfare and Apprenticeships and Employer Engagement; paper LMC/C/33/20.**
- ACTION: Senior team to consider how best to approach a co-ordinated local strategy for youth volunteering, working with partners from across all sectors, including universities and the community and voluntary sector.*
- ACTION: Governance Adviser to look at a 'volunteering' questionnaire for young people in the spring term, to inform strategic planning.*

REVIEW OF COLLEGE PERFORMANCE 2019/20

College Self-Assessment Report

- C/20/252 The Director of Curriculum and Innovation referred members to paper LMC/C/34/20 and advised that it is a very positive report. Thanks were given to Tim Cross and Peter McKenzie for attending the validations and providing some useful points to take forward. In a significant change from previous years, very limited data is included in the report, and the reasons for this are highlighted on page two. This has allowed much more qualitative judgements to be made, which align very closely to the Ofsted judgements made in March 2020.
- C/20/253 The key strengths and areas for development are focused around the main Ofsted findings, but have also been expanded. The individual curriculum team grades are documented on page six and the validated grades match the proposed overall grades. All of the curriculum teams have either remained the same or improved their grade and this is a very pleasing outcome. There are many different examples of evidence around those judgements. Teaching, behaviour and apprenticeships are all good.

- C/20/254 High Needs follows the Ofsted requires improvement grade, but relates to cross-college provision and does not reflect on the Additional Learning Support team itself. Actions for improvement are identified within the Quality Improvement Plan (QIP) to ensure all areas of College are consistently working with any Education, Health and Care Plan (EHCP) targets. The personal development grade has been downgraded from last year, and this is being progressed throughout the year and staff are working very well as a team. The Ofsted inspector for High Needs was from a specialist college and wanted to see evidence in a certain way, and the College was unable to do that. Actions have already been implemented, including progress tracking of skills development, specifically against individual EHCP targets. There is still some work to do around the sharing of EHCP targets with employers, which has been limited by the Covid restrictions, but changes have been made in regards to work experience and a learner diary to track progress. Although Governors challenged the team to be braver, it was felt that the Ofsted inspection was too recent a judgement to change.
- C/20/255 The apprenticeships team has been on a huge journey over the past few years, with a transformational team restructure and a complete overhaul of how the College works with its local employers. This has aided in the change to the delivery of apprenticeships, helping employers to better understand apprenticeships and to develop standards to the required level. The changes were backed up by investment in activities, resources and systems, e.g. Smart Assessor. The Director of Apprenticeships and Employer Engagement was pleased with the inspection. There is now a strong team that wants to drive and support employers and learners together.

In response to Governors' scrutiny and challenge, the following points were highlighted:

- C/20/256 This is a very detailed assessment of the College's position, but it is worth noting that Ofsted only reviewed evidence from eight (out of 100+) special needs learners. The overall impression from the validation meetings is that the College is very solidly good in those terms, with many elements of outstanding teaching, learning, development and innovation. Whilst the grades were agreed, Governors had observed that there were many areas that could be deemed to be better than good, and the aspiration should be to reach outstanding in a few years' time. The trajectory pathway and outcomes structures are very solidly in place, in spite of the Covid situation. Staff can be too conservative at times, and must recognise the considerable strengths and achievements, as well as the areas for development.
- C/20/257 The College has exemplified its agility in response to the Covid restrictions and Governors felt the College could be a case study of best practice. In addition, Governors who volunteered for invigilation thought the exams were very well managed. There is an ongoing general issue in that the College is not good at recognising and celebrating its capacity and performance; it can confidently lead on and contribute to strategic priorities in the region across a variety of sectors, e.g. Health, Nuclear etc. With a wealth of evidence, teams are constantly being pushed to higher grade their achievements.
- C/20/258 **The Corporation discussed and approved the College Self-Assessment Report, paper LMC/C/34/20.**

Quality Improvement Plan 2019/20 Final Outturns

- C/20/259 The Director of Curriculum and Innovation referred members to paper LMC/C/35/20 and advised that the highlighted issues were driven by the requirements for a good Ofsted inspection. Many sections have been affected by the Covid disruption, particularly relating to measurable data outcomes. Interim assessments have been made, along with qualitative comments in order to ensure the College can move on. Sections graded amber will be carried forward, e.g. attendance, apprenticeships etc.
- C/20/260 **The Corporation received and discussed the Quality Improvement Plan 2019/20 Final Outturns, paper LMC/C/35/20.**

Proposed Quality Improvement Plan 2020/21

- C/20/261 The Director of Curriculum and Innovation referred members to paper LMC/C/36/20 and advised that all the improvement plans from the past four years have been 'Ofsted driven', with a focus on the requirements for 'Good'. They have also been very curriculum based, even though there are self-assessment reports from all the support sections. In order to improve the overall quality of the College, everything should be considered as all sections of the College help drive teaching, learning and assessment improvements and work with learners., e.g. IT systems. Now is the right time to move towards a new strategy, based on the three strands from 'The College of the Future' report. This will cover all the different aspects of quality improvement, rather than just being based around Ofsted requirements. This holistic approach will best meet the College's development needs to drive up quality in every area. The subset model will look at individual drivers in each section and link to a whole College holistic development approach. All teams need to see how they fit and interlink with other areas to drive improvement. The model will be expanded and populated, ready to be presented at the January meeting.

In response to Governors' scrutiny and challenge, the following points were highlighted:

- C/20/262 The positive inspection outcome has meant that the College is now in a position of strength, from strategic planning and focus, to determine its own approach. This is a strong and dynamic approach, perfectly timed, and the People, Productivity and Place structure reflect what it means for the College now and into the future. Governors wholeheartedly supported the conceptual approach to improve planning and holistic working practice across the College. It is considered a very progressive approach and it is good that a relatively new Board is at the start of this journey.
- C/20/263 **The Corporation discussed the Proposed Quality Improvement Plan 2020/21, paper LMC/C/36/20 and approved the new approach and format.**

ACHIEVEMENT OUTTURNS AGAINST STRATEGIC OBJECTIVES 2019/20

- C/20/264 The Principal referred members to paper LMC/C/37/20 and advised that progress has been reported throughout the year and this is the final report. As well as the RAG rating, a white category has been added denoting issues, particularly around data, that are no longer considered relevant due to Covid disruption. The Department for Education (DfE) has made it clear that there will be no published data for 2019/20 and colleges will not be held to account on data. Some data, which would tie in with targets, e.g. student achievement, is also not available and this has meant progress against some targets has become unmeasurable.

In response to Governors' scrutiny and challenge, the following points were highlighted:

- C/20/265 The market share has largely been unaffected by lower numbers, partly due to the 'bottoming out' of the demographic. Inflated grades will have impacted some learners and lead to a small overall reduction this year.
- C/20/266 It was confirmed that, given the Covid disruptions, the strategic targets and key performance indicators for 2020/21 will be reviewed and amended, if necessary, prior to the first update to the Corporation in January 2021.
- C/20/267 Governors will be presented with confidential internal data in January, but with the emphasis on a contextual narrative, but the Board should be assured that the College does have granular information about every student. One of the big issues identified was the furloughing of staff by awarding bodies, with colleges unable to obtain information on mitigation and qualification achievement, leading to some data being fundamentally unfair and invalid.
- C/20/268 **The Corporation received and discussed the Achievement Outturns Against Strategic Objectives 2019/20, paper LMC/C/37/20.**

GOVERNANCE SELF-ASSESSMENT 2019/20

- C/20/269 The Governance Adviser referred members to paper LMC/C/38/20 and advised that the summary provides the overall proposed grade, as well as grades for the individual sections. Although all areas were assessed as good, there key area for development is better engagement with learners. Actions for improvement have already been suggested within the comments section and these will be progressed in the next term. The difficult circumstances of the year has made this a particular challenge.

In response to Governors' scrutiny and challenge, the following points were highlighted:

- C/20/270 The overall grade for governance must be approved at this meeting, as this is a requirement prior to the approval of the financial statements, but all late responses will be included in the qualitative data and improvement plan.
- C/20/271 Although some Governors felt it was long and detailed, the robustness of the questionnaire reflects the robustness of the process for all College teams. The questionnaire was based on Governors' mandatory duties and the requirements of the Code of Good Governance.
- C/20/272 The Corporation discussed and approved the Governance Self-Assessment 2019/20, paper LMC/C/38/20.**

STATUTORY RESPONSIBILITIES

DRAFT MINUTES OF THE AUDIT AND RISK ASSURANCE COMMITTEE MEETING HELD ON 17 NOVEMBER 2020

- C/20/273 The Chair of the Audit and Risk Assurance Committee, Peter McKenzie, reported on the meeting held on 17 November 2020, fully detailed and explained in the draft minutes, paper LMC/A/10/20. The Committee's annual report is produced for the Corporation to summarise the focus of the Committee's work during the past year, including internal audits undertaken, the financial statements and regularity audits, along with any major issues identified. The Corporation can take assurance on the adequacy and effectiveness of its assurance arrangements, framework of governance, risk management and control processes for the effective and efficient use of resources, solvency of the institution and the safeguarding of its assets
- C/20/274 The Internal Audit Annual Plan, from the newly appointed ICCA auditors, is a detailed and impressive document. Section three pulls together an organisational assessment, reviewing College risks and opportunities. From that assessment and organisational findings, the auditors produced their own schedule and internal audit plan that they felt would be of most benefit for 2020/21. The plan is risk-led and should provide an assurance level on areas most required by the College. A total of 18 audit days has been allocated for this year, as approved within the main College budget. An outline of proposed audits over the four-year contract is also included, but these can be changed annually, based on any arising issues but provides a starting point for longer term planning. The Internal Audit Partner will also prepare an annual report to the Corporation, providing an opinion on the adequacy and effectiveness of internal audit.
- C/20/275 The Audit Findings Report ties in with the next agenda item, Annual Report and Financial Statements, and is the external auditors report on the findings from their auditing of the College accounts. The key point to note is that there are no proposed adjustments and the figures in the end-of-year accounts match those presented in the management accounts throughout the year, which should also provide assurance to Governors. There are also no significant control deficiencies, although these are not specifically looked for during the course of the audit, but would be reported if any were found as a matter of course.

C/20/276 Risk management and the risk register is reviewed at every Committee meeting. There have been no instances of fraud, irregularity or whistleblowing and the actions and priorities for 2020/21 around quality assurance are provided. The annual report is required to be presented to the Corporation and all Governors need to understand and accept the identified risks. The Risk Management Policy remains unchanged, as it has served the College well.

In response to Governors' scrutiny and challenge, the following points were highlighted:

C/20/277 The new auditors, ICCA, are providing value for money and appear to go the extra mile. The strategy for the next three to four years, along with the detailed report and explanation is exactly what the College has requested.

C/20/278 Although it was pleasing to see the longstanding risk in relation to the pension claim has now been removed, concern was expressed in regards to the current pension risk and associated costs. The pension liability was also picked up by the external auditor. The Vice Principal Finance and Resources explained that the financial statements auditor will look at pension liability, as this is a significant figure on the balance sheet. From a practical point of view, employer contributions keep rising and are very high compared to what is normal outside of the private sector. The issue is to ensure affordability of the pension scheme going forward. As long as the College is part of the Local Government Pension Scheme (LGPS) and The Teachers' Pension (TPS), these costs will have to be incurred. The College currently has no plans to move out of the pension schemes.

C/20/279 The risks associated with IT breaches have gone up significantly within the sector during the pandemic, e.g. Newcastle and Northumbria Universities have both suffered significant breaches in the last few months, requiring complete rebuilds of their systems and putting them out of action for a week. Two local colleges in the North West have shared a similar experience. Cyber security is the focus of an internal audit this year and the College is suffering from significantly increased activity from attempted hacks, but these are being closely monitored by the team. Criminals have been targeting the education sector, in particular, and so this is an increasing risk but is why it has been included in the audit plan to enable the auditors to also review the College systems. The Computer Services Manager is working with JISC as they offer systems testing to help spot and plug any potential weaknesses. The team are also working towards the Cyber Essentials accreditation, and will then aim for the Cyber Essentials Plus certification. The College is always looking at what else can be done over and above the requirements to provide additional security.

C/20/280 The internal audit plan was very well outlined and this is a helpful overview. The auditors are clearly very experienced and the Audit Committee are monitoring closely. The briefing section on future funding was also very useful.

C/20/281 **The Corporation received and discussed the Audit and Risk Assurance Committee minutes and papers and approved:**

- Internal Audit Annual Plan 2020/21, paper LMC/A/05/20.
- Audit Findings Report (Financial Statements Auditor Management Letter and Regularity Auditors (Opinion) Management Report), paper LMC/A/06/20.
- Annual Report on Risk Management, including Review of Risk Management Policy, paper LMC/A/08/20.

COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS 2019/20; 01 AUGUST 2019 – 31 JULY 2020

- C/20/282 The Vice Principal Finance and Resources referred members to paper LMC/C/39/20 and advised that the financial statements have been audited by RSM and there are no audit adjustments. The accounts format follows the Casterbridge model of financial accounts, used by most colleges, as this is the format preferred by the Education and Skills Funding Agency (ESFA). The approved accounts will be submitted to the ESFA and published on the College website. Prior to publication, it has been agreed with the auditor that all headline data in relation to student achievement should be removed, in line with guidance and non-publication by the Department for Education (DfE).
- C/20/283 One point to highlight is 'going concern', and the assumption that the College will carry on as a going concern for the next 12 months. The basis of that opinion is the cashflow forecast, which is included with the papers and is consistent with the going concern basis. It has also been reviewed by the auditors and submitted to the Education and Skills Funding Agency (ESFA) as part of the November financial return. The forecast does demonstrate that cash balances will fluctuate, but should remain above £2m for the next 12 months, enabling the assumption of going concern to be made. The auditors asked for Corporation to review the forecast as part of the accounts approval. Overall, the figures agree with those presented in the management accounts, but are presented in a slightly different format.
- C/20/284 Pension fund costs, which are excluded from the monthly management accounts, are based on the annual FRS102 actuarial evaluation and will fluctuate each year. The deficit has increased significantly from £8.5m to £14m, and every college in the sector will have suffered a similar increase. This is due to a change in assumptions regarding the interest rate and discount rate, but the increase does not impact on cash or payments. The full actuarial valuation is undertaken every three years, so relies on an accounting adjustment. The statement of income and expenditure (page 21) does include the actuarial loss and other FRS102 related costs, but when these are removed, the figures tie in with the operating surplus reported in the management accounts.
- C/20/285 The Corporation discussed and approved the College Annual Report and Financial Statements 2019/20; 01 August 2019 – 31 July 2020, paper LMC/C/39/20.**

CORPORATE SERVICES REPORT

- C/20/286 The Vice Principal Finance and Resources referred members to paper LMC/C/40/20 and advised that there is a summary under health and safety in regards to Covid data. A daily return is required to be submitted to the Department for Education (DfE) and there is significant staff time involved in collating all the information. Coupled with the requirement for the College to track and trace contacts, this is a constant effort by a number of staff, which can involve evening and weekend work. The tender for the remaining fire door work and replacement windows in blocks B and D has been contracted to Walkers.
- C/20/287 The Director of HR Strategy and Support advised that the strategic plan consultations have commenced with staff teams and the Principal. Currently, 86% of staff reviews have been completed, with just 14% showing targets not agreed. This does not mean that targets have not been discussed, rather that there may be a time lag in completing on the system as the joint password override is required, as staff would have to be at the same computer to do this themselves.

In response to Governors' scrutiny and challenge, the following points were highlighted:

- C/20/288 The Chair thanked all staff running the College track and trace system, and for working weekends, ensuring staff and students remain safe when on campus.
- C/20/289 The Corporation received and discussed the Corporate Services Report; paper LMC/C/40/20.**

LATEST MANAGEMENT ACCOUNTS, FUNDING KEY PERFORMANCE INDICATORS AND CASHFLOW FORECAST TO DECEMBER 2021

- C/20/290 The Vice Principal Finance and Resources referred members to paper LMC/C/41/20 and advised that these at the accounts for the end of period three. The deficit of £82k is better than the budgeted deficit of £135k. Overall income is £92k below budget and the commentary provides the breakdown of the major income lines. The main concern is the Adult Skills Budget, which will be affected by Covid and lockdown. Lancashire is in Tier 3 and the College is seeing fewer adults applying for courses, particularly those community based, and it will be difficult to achieve the full allocation this year. More provision is being offered through distance learning and part-time courses, but this is highlighted as a key risk. At the moment, the Education and Skills Funding Agency (ESFA) is staying with a 97% tolerance level for claw back at the end of the year. For 2019/20, however, this was reduced to 70% and there is an expectation that there will be a similar relaxation, but this will not be confirmed until the end of the financial year. The budget has been based on a tolerance level of 80%, so claw back could be none or it could be significant, but the College will be trying to deliver as much provision as possible to get as close to the full allocation as possible. The budget also included a £250k reduction in apprenticeship income, and the team remain reasonably confident the budget can be achieved but, as previously mentioned, Covid is having a huge impact on starts. The position will be closely monitored throughout the year.
- C/20/291 Staff costs were under budget at the end of period three, as some vacant posts have not been filled resulting in some savings. In addition, a maternity cover post has not been filled and there are small differences between part-time and casual costs and how these are budgeted. Non-pay costs are £83k below budget, mainly due to income and associated cost reduction on ESF projects. The College has also spent around £30k on additional Covid related costs, e.g. IT consumables, webcams, dongles, PPE and increased cleaning supplies. Funds have also been spent on additional support from security providers to assist with student behaviour and compliance with social distancing requirements. Costs are starting to mount up as a direct result of Covid, which is a concern, but there is indirect funding from Government to cover it. Overall the College is slightly ahead of budget and is still forecasting to achieve financial good, but the margin to requires improvement is very small.
- C/20/292 The cash reserves are sitting at £4.4m, but this is an inflated figure which includes the £410k capital funding from the Education and Skills Funding Agency (ESFA). This has to be spent by the end of March 2021. In addition, profile payments are front loaded, including bursary funding within the first couple of months, industry placement funding and the teaching pension grant. All of this contribute to an inflated cash balance and, although the Barclays share is over 50%, this should re-align over the next three months. The £1m Santander deposit will expire later this week and it is proposed to roll this over for a further year. The current rate is slightly less than stated but is still significantly better than alternatives.
- In response to Governors' scrutiny and challenge, the following points were highlighted:
- C/20/293 It is possible to use the Adult Education Budget (AEB) for Continuing Professional Development (CPD) courses to local employers and this is being worked on with Ascentis. Summer schools are also being considered. The decision on claw back will likely be made after the final adult funding return, so around this time next year.
- C/20/294 It is good to see a positive result against budget to date, despite very challenging circumstances, and Governors thanked all staff involved in achieving this. There is a very narrow margin between the EBITDA good and requires improvement, so the Board will need to monitor the position very closely.
- C/20/295 The Corporation received and discussed the Latest Management Accounts, Funding Key Performance Indicators and Cashflow Forecast to December 2021; paper LMC/C/41/20.**

EDUCATION AND SKILLS FUNDING AGENCY FINANCIAL CONFIRMATION

- C/20/296 The Governance Adviser referred members to paper LMC/C/42/20 and advised that this has previously been circulated electronically to Governors and is for acknowledgement only.
- C/20/297 The Corporation received and noted the Education and Skills Funding Agency Financial Confirmation, paper LMC/C/42/20.**

ANNUAL REPORT ON EQUALITY, DIVERSITY AND INCLUSION

- C/20/298 The Director of Personal Development and Welfare referred members to paper LMC/C/43/20 and advised that it was a different report to write due to the lack of data. The report has been reviewed by the Equality, Diversity and Inclusion Committee, which Tim Cross attended on behalf of Governors. There is a supporting operational action plan. According to the Ofsted report, high needs learners did not achieve well. For 2018/19, achievement sat at 85% and the team were quite happy with that. For last year, this is now at 94%, but the data is not comparable. One of the reasons that high needs achievement is so high is that most of these learners do not sit a terminal exam, as that assessment method affects some of the neediest learners the most. Learners have benefitted from not being put into a difficult exam allocation, using teacher allocated grades instead, but there is evidence that learners can function at that level. The confidential headline data will be presented at the next meeting. Safeguarding is also connected to ensure it is as level a playing field as possible.

In response to Governors' scrutiny and challenge, the following points were highlighted:

- C/20/299 Although it is a comprehensive report, Governors were unsure that it provided clarity and targets on where the College sits and where it needs to be, as it felt like more work is needed on the broader context of equality, diversity and inclusion specific work. Much of the work required is based around progress tracking for high needs learners. There were no specific issues from the previous year in relation to ethnicity or gender gaps that required a particular focus this year, as so much work had been undertaken in previous years to improve that position. The main focus this year was around high needs learners and safeguarding issues. There is an operational action plan, which is reviewed by the Equality, Diversity and Inclusion Committee, but it is very student focused and needs a staff element to become more balanced. Every year, the College collects certain data and the Board should ensure it is satisfied with the data strands being collected.
- C/20/300 The Corporation received and discussed the Annual Report on Equality, Diversity and Inclusion, paper LMC/C/43/20.**

MARKETING ANALYSIS OF FE ENROLMENTS 2020

- C/20/301 The Director of Apprenticeships and Employer Engagement referred members to paper LMC/C/44/20 and advised that this is a full analysis of 16-18 recruitment. There is an increase in 16-18 learners overall, but a decrease in the number of apprenticeships. There has been a slight loss in market share from the College's immediate high schools, and this has previously been alluded to with the final dip in demographics this year. There is a demographic upturn from next year and this should lead to a projected 4% increase from neighbouring schools. There has been an increase in Level 3 learners, who are generally here for two years, as well as an increase in applications to enrolment conversions. The College invested in new software to support more of a 'self-service' system, which did help re-engage learners. 'Keep warm' activities were also stepped up, which has led to a 7% increase in the conversion rate, from 71% to 78%. The team is looking at how to further improve market share but, in general, the increase this year is most likely due to higher allocated grades. This has affected the College's own learners and internal recruitment in Aspire is up by 31% and by 13% for Health, Social Care and Childcare.

In response to Governors' scrutiny and challenge, the following points were highlighted:

- C/20/302 In relation to careers advice for high needs learners, the Ofsted inspector only spoke to two out of eight Aspire learners, both of whom had Education, Health and Care Plans (EHCPs) and were unsure about careers advice. The Matrix assessment, however, found the College's career advice to be fantastic. It has been included as an area for improvement in the Aspire team's Quality Improvement Plan (QIP), as well as for further cross-college development.
- C/20/303 It was suggested that a demographic line would be useful in future reports, to see where the College sits against that. The team was congratulated on the conversion rate increase, as any private sales sector would be impressed with a 78% sales rate. Some courses have seen significant increases and there may be some best practice that could be shared across curriculum teams. There are highs and lows year on year, with some courses being more attractive or falling out of favour cyclically. There is an admissions group, which looks at improvements across all areas and this should be replicated for enrolments. The new software system and processes will be fine-tuned and analysis will be completed on what activities certain teams did or did not to that led to an improved conversion rate. It is all very challenging when it cannot be done face-to-face, so it is a great team effort cross-college to achieve this position this year and keeping applicants 'warm' is really important. It was suggested that some learners, including high needs learners, could make vignettes (30 second promotional videos) talking about their course experiences.
- C/20/304 Between 2019 and 2029, there will be a 24.78% increase in the Lancaster 16-18 cohort, compared to 18.04% for the whole of Lancashire and 22.76% nationally, as documented within Lancashire County Council's Annual Statement of Needs.
- C/20/305 The Corporation received and discussed the Marketing Analysis of FE Enrolments 2020, paper LMC/C/44/20.**
- ACTION: Director of Apprenticeships and Employer Engagement to add the demographic line on graphs in future reports for comparison.*
- ACTION: Director of Apprenticeships and Employer Engagement to consider vignettes, including High Needs learners, to use as promotional videos.*

GENDER PAY GAP REPORTING 2019/20

- C/20/306 The Director of HR Strategy and Support referred members to paper LMC/C/45/20 and advised that the College is required to provide an annual report on its calculated gender pay gap, along with explanatory notes. The report will feed into a Government website, as well as being published on the College's own website. The mean and median data in the highlighted box, along with the quartile statistics, is the information that has to be uploaded to the Government website. The remainder of the report is a multi-layered contextual analysis for Governors and some things impacting on the gender pay gap have been identified. Organisations with fewer than 250 staff are not required to submit a report, as fluctuations are greater and have a big impact. The College is a relatively small organisation and not far over that threshold. Comparison data from other local colleges has been included this time for context. Some of the sensitive information will need to be redacted from the published report.

In response to Governors' scrutiny and challenge, the following points were highlighted:

- C/20/307 The higher proportion of female leavers reflects the male/female ratio of employers and is not out of kilter with the overall staffing profile.
- C/20/308 The Corporation discussed and approved the Gender Pay Gap Reporting 2019/20, paper LMC/C/45/20.**

PROPOSAL FOR 2020/21 PAY AWARD

C/20/309 The Vice Principal Finance and Resources referred members to paper LMC/C/46/20 and advised that the crux of the matter is to find a balanced position of increasing pay to reward staff and remain competitive, whilst being mindful of the ongoing financial position and the need to try and maintain good financial health. Although a 1% pay award is included within the budget, the College is forecasting a £671k deficit this year, which is just sufficient to keep the College in good financial health, but with only a very small margin to requires improvement. In addition, there are some quite significant risks detailed in the accounts; the Adult Education Budget (AEB), ongoing costs for Covid mitigation, some of which will continue on in subsequent finance years, as well as the impact of any pay award. The senior team has held long discussions and is recommending a 1% pay award, in line with the budget. This balances providing staff with some increase and recognition for all their hard work, particularly for the inspection outcome and improved finances, against the ongoing financial risks and ensuring the College maintains its good financial health to reduce any risk of being placed into FE Commissioner or Education and Skills Funding Agency (ESFA) intervention.

C/20/310 The Principal referred Governors to paper LMC/C/32/20 and advised that the confidential section of the report is for Corporation members only under sections 22 and 41 of the Freedom of Information Act. Paragraphs C/20/311 to C/20/313 are, therefore, minuted separately.

In response to Governors' scrutiny and challenge, the following points were highlighted:

C/20/314 The Director of HR Strategy and Support reminded Governors that, if staff pay is looked at over a longer period of time, the pay awards have been significantly distant from the rising costs of living, as well as moving further away from counterparts in other education sectors. It is a challenging situation and the College will need to look at a longer term position on its overall pay scales, which are struggling to gain parity due to the inability to make meaningful pay awards over a significant number of years. Although 1% is a small token gesture and the right recommendation right now, the College should aim to do more as soon as is possible. Over the last 10 years, the cost of living has increased by 26%, but staff have had no more than 5% or 6%. Somehow, the College needs to readdress this position. Although the context is understood around the ability to only offer 1% at this time, the College needs to do more if the pay award is ever to be perceived as true recognition and staff genuinely deserve more. The auditors also noted risks around pay scales. It was acknowledged that all Governors and senior managers agree staff deserve higher pay, and the need to raise FE sector pay, in general, has been commented on in 'The College of the Future' report. Government funding is an annual rollercoaster, however, and what is needed is a stable and longer term (three years) funding settlement. Sector funding has fallen by a huge amount and is no longer sustainable at current levels. Staff are resilient but there must also be a degree of fairness and help must come from central Government. The College cannot run any leaner than its current position. There must either be an increase in income or further cost reductions. It is hoped that the FE White Paper, now delayed potentially until Spring 2021, may be linked with a better funding settlement and a longer term pay plan. The National Living Wage (NLW) is increasing and will have a huge concertina effect on the bottom end of the College pay scales. Strategically, the Board must strive to address the pay issue, whilst being constrained within the bounds of affordability.

C/20/315 Transition programmes between Levels 4, 5 and 6 could mature into a potentially significant income stream, focused on the technical role on the skills agenda.

C/20/316 **The Corporation discussed and approved the Proposal for 2020/21 Pay Award, paper LMC/C/46/20.**

ANY OTHER BUSINESS

C/20/317 There were no other items of business.

DATE OF NEXT MEETING

C/20/318 Tuesday 26 January 2021 at 5.30pm (virtual through Microsoft Teams).

REFLECTIONS ON THE MEETING AGAINST COLLEGE MISSION, VALUES AND STRATEGIC OBJECTIVES

C/20/319 Governors are requested to individually reflect on discussions and decisions within the meeting and whether they have upheld the College's purpose, mission and values. Following reflection, any thoughts or comments can be passed through to the Chair of the Corporation or the Governance Adviser.

The Corporation agrees that these non-confidential minutes are an accurate record of the meeting.

SIGNED: NAME: (Chair)

DATE: