

MEETING OF GOVERNING BOARD**TIME/DATE** 5.00pm, Tuesday 11th December 2018**VENUE** DRAMA STUDIO, LEIGH COLLEGE, SALEWAY, LEIGH

ATTENDANCE	Independent Governors	Frank Costello, Chair Diane Brennan Ann Harrison Susan Loudon Susan Spibey Katherine Causey Gai Murphy <i>Janet Minto</i> Jenny Bullen Michael Ferraby Gill Edwards Andrea Ferguson
	Staff Governors	Jennifer Cockram Catherine Langstreth
	Student Governors	Rachael D'Arcy Marie Mc Gahey
	Principal	Anna Dawe
	Clerk to the Governing Board	Robert Smith
	Vice Principal, Curriculum	Claire Foreman
	Vice Principal, Corporate Services	Louise Brown
	Finance Director	Steve Scott
	Assistant Principal, IT, MIS and Sub-contracting	Dave Harrison
	Education & Skills Funding Agency (ESFA)	Nick Ayton

*Italics denotes absence***PART 1 MINUTES**

Item		The meeting opened at 5.05pm and was quorate with at least 7 members present.
1	GB/18/12/019	<p>APOLOGIES & CHAIR'S WELCOME</p> <p>An apology for absence was received from Janet Minto. It was also noted that Ann Harrison and Katherine Causey's arrival would be delayed.</p> <p>The Chair welcomed Marie McGahey to the meeting and advised members that Marie had been elected as a nominee for student governor. It was noted that Marie had joined the college two years earlier to study English and Maths and was now a Health & Social Care Access student and was planning to go to university in September 2019. The Chair also welcomed Nick Ayton from the ESFA who was taking part in a three-day immersion project, during which he hoped to learn more about the challenges facing colleges by seeing operations from the college's perspective.</p> <p>The Chair commented on the tour of the new Hair & Beauty facilities at Leigh College that preceded the meeting and reported that all members that took part in the tour</p>

		were delighted to see the significant improvements brought about by the investment in this area. Members concurred that it was very helpful to see at first hand the results of the investment discussed and approved by the Board.
2	GB/18/12/020	<p>APPOINTMENT OF STUDENT GOVERNOR</p> <p>The Chair advised that the student body had nominated Marie McGahey for the position of student governor and that the formal appointment would need to be determined by the Governing Board.</p> <p>RESOLVED:</p> <ul style="list-style-type: none"> i) That Marie McGahey be appointed Student Governor with immediate effect for a period of four years or until she leaves the college upon the completion of her studies; and ii) That Marie McGahey be appointed a member of the Curriculum & Student Matters Committee with immediate effect.
3	GB/18/12/021	<p>DECLARATION OF INTERESTS</p> <p>There were no declarations of interest in relation to matters to be discussed under the Part 1 agenda for this meeting.</p>
4	GB/18/12/022	<p>PART 1 MINUTES OF THE GOVERNING BOARD MEETINGS HELD ON 16TH OCTOBER 2018 AND 27TH NOVEMBER 2018</p> <p>The minutes were approved as a correct record for signature by the Chair.</p>
5	GB/18/12/023	<p>MATTERS ARISING</p> <p>The Clerk advised that most actions within the Board's Action Sheet had been completed and that the remaining action was scheduled for completion in March 2019. It was noted that this related to a presentation to be made by the Safeguarding Team, which had been arranged as a development session for governors prior to the Governing Board meeting on 26th March 2019.</p>
6	GB/18/12/024	<p>ESFA 16-18 APPRENTICESHIP FUNDING POSITION</p> <p>The Principal outlined the content of her report and advised members that the college had achieved significant levels of 16-18 apprenticeship recruitment in August, September and October, which had exceeded the ESFA funding allocation. It was noted that the ESFA in previous years had allowed colleges to apply for growth in funded numbers as part of the annual November funding reconciliation. The Principal advised that the college had always been able to secure growth funding as the ESFA had during the previous decade shown a clear commitment to meeting funding demand for the 16-18 age group. However, it was noted that the college had received notification from the ESFA on 11th October 2018 that the November funding reconciliation would not take place and over-recruitment would not be funded for 2018/19. The Principal reported that the additional recruitment currently amounted to around £430K, which would be unfunded. She explained that this would cause budget pressures, which the Board would need to consider.</p> <p>The Principal also advised that the college had ceased further apprenticeship recruitment for 16-18 learners and was now turning away employers and potential apprentices on a frequent basis. Members noted that, whilst further new recruitment could be avoided, many apprentices and their employers had an existing expectation of being able progress from Level 2 to Level 3, which would become a significant issue from January 2019. The Principal commented that failure to honour this expectation was likely to lead to many young people losing their employment and</p>

asked the Board to consider whether to accept the exposure to this financial risk in order to meet these expectations. The Principal explained that this would involve extending the level of unfunded learners to £457K, with an additional £80K employer incentive expectation. Members discussed the local and regional impact of the ESFA decision and commented that this was at odds with the significant commitment of Wigan Council and the Greater Manchester Combined Authority to support apprenticeship growth and help young people into employment.

The impacts of the unfunded learners on the overall college budget were discussed and the Principal advised that it was likely that a surplus budget could still be produced for 2018/19 but difficult decisions would need to be made to reduce other costs, including planned investments in infrastructure and capital development. It was noted that some other budget income lines appeared to be performing above expectations and this would help to cover the additional costs. The Principal also highlighted the need to scale down income expectations for budgets in future years as the financial risk would need to be accounted for in medium and longer-term planning. The impacts on the college's relationships with local employers were also discussed and members were disappointed that damage to these relationships was very likely once employers were unable to gain access to the college's services for apprenticeship provision.

Kath Causey joined the meeting at 5.20pm

The Chair explained that the Curriculum & Student Matters Committee had discussed the funding issue in detail and were extremely disappointed that the opportunity to support more young people into work would be lost. He commented that turning potential students away was against the very essence of the college's aims and objectives, and that life-changing opportunities for these young people would be taken away by the ESFA decision. Members asked whether there were alternative opportunities for these potential learners that employers could be persuaded to support. The Principal responded that the college would be able to offer 16-18 study programmes, but it was likely that employers would find these less attractive than apprenticeships as they would be required to pay the learner the National Minimum Wage. Members discussed existing learner and employer expectations for level progression and unanimously supported the view that these should be honoured. However, they also commented that the Board would need to be fully informed about the financial impacts of this approach in terms of the effect on longer-term investment strategy. Members also discussed the potential to ask employers to forego expected incentive payments for unfunded learners in order to share the financial impact.

Members sought further information about the sectors that would be affected by the cessation of recruitment. The Principal advised that a large proportion of affected employers would be from the engineering and construction sectors. Members commented that it would have a devastating impact on these sectors at a time when they were so vital in terms of strategic plans for the regional economy. Members discussed the impact of the ESFA decision across the training sector and the Principal reported that many other colleges and private training providers had been similarly affected.

The Chair summarised the view of members and concluded that the Board was compelled to honour employer and learner expectations, whilst also concerned about the financial impacts of this decision. He stressed the need to continue to make representations to the ESFA and to seek support from the college's stakeholders. He also asked that the matter be kept under review, with a further report to the Board in the Spring Term.

Action: Principal

		<p>RESOLVED: That the current value of unfunded ESFA 16-18 apprenticeship training be extended to ensure progression learners can continue with their programme.</p>
7	GB/18/12/025	<p>AUDIT COMMITTEE – 21ST NOVEMBER 2018</p> <p>In the absence of the Chair of the Audit Committee, the Chair presented the draft minutes of the meeting of 21st November 2018 and commented that the committee's discussions indicated that audit outcomes had been positive and that systems of control appeared to be working well.</p> <p>He drew members' attention to the Internal Audit Annual Report and highlighted the auditor's opinion that audit outcomes provided 'reasonable' assurance for the Governing Board. He sought confirmation that this level of assurance was a sector standard or whether higher levels of assurance could be provided in the auditor opinion. The Clerk confirmed that auditors use 'reasonable' assurance in cases where they have no concerns and do not use other categorisations of higher levels of assurance. It was noted that this was due to the fact that auditing is usually a sampling activity, which means that all examples of the application of systems of control cannot be reviewed.</p> <p>The Chair also drew members' attention to the External Auditor's report on the college's Annual Report & Financial Statements and Regularity Audit. It was noted that the auditor had provided an unqualified opinion for both audits. Members discussed the content of the Regularity Audit Questionnaire and, whilst it was noted that the Chair of the Audit Committee had provided provisional approval of the document to the auditor, the Board was required to formally approve the document.</p> <p>The content of the Annual Risk Management Report was noted and members recognised that this was a snapshot of the risk position at the end of 2017/18. The Finance Director advised that the risk position was regularly updated and reported on a termly basis to the Audit Committee.</p> <p>The Clerk outlined proposals to amend the Audit Committee terms of reference to accommodate changes to the Post-16 Audit Code of Practice and to effect recommendations by the Internal Auditor. He also highlighted other changes to reflect actual practice and to add to the role of the committee the recommendation of the Annual Report & Financial Statements to the Board after receiving advice from the External Auditor. It was noted that a proposal to allow the committee to appoint its own Chair would be discussed under a later agenda item relating to a proposed Scheme of Delegation.</p> <p>The Chair outlined the content of the Audit Committee Annual Report 2017/18, which provided detail of the committee's activities and drew a number of conclusions in relation to the effectiveness of governance and systems of control.</p> <p>Finally, the Chair highlighted committee discussions relating to a potential two-year extension of contract with ICCA for the college's Internal Auditor services. It was noted that the committee had observed that, as a tender was planned for the External Auditor services, it would not be appropriate to change both providers in the same year as it may cause issues of consistency and continuity of advice. The Chair also explained that ICCA had agreed to maintain the current year's fee level for the additional two years as it would save the company the additional costs associated with a re-tender exercise.</p> <p>RESOLVED:</p> <ul style="list-style-type: none"> i) That the Internal Audit Annual Report for 2017/18 be approved; ii) That the Annual Report & Financial Statements and associated Letters of

		<p>Representation for 2017/18 be approved for signature by the Chair of the Governing Board and Principal as required;</p> <p>iii) That the Regularity Audit Questionnaire be approved for signature by the Chair of the Governing Board and Principal as required;</p> <p>iv) That the proposed Audit Committee terms of reference be approved, subject to resolutions relating to the Scheme of Delegation;</p> <p>v) That the Audit Committee Annual Report for 2017/18 be approved; and</p> <p>vi) That a two-year extension to the current Internal Audit contract with ICCA be approved.</p> <p>Ann Harrison joined the meeting at 5.50pm</p>
8	GB/18/12/026	<p>CURRICULUM & STUDENT MATTERS COMMITTEE – 27TH NOVEMBER 2018</p> <p>The Chair presented the draft minutes of the meeting of 27th November 2018 and highlighted key topics of discussion. It was noted that the committee discussed in detail the apprenticeship funding issues raised earlier in the meeting. The Chair explained that the committee reviewed student outcomes and was very encouraged by the fact that the college's success rates were now around 5% above the national average. He commented that this was clear evidence of significant progress in recent years and that this was reinforced by positive student feedback, which had contributed towards an increase in internal progression for the third consecutive year. Members discussed the Self-Assessment Report (SAR) for 2017/18 and the Quality Improvement Plan for 2018/19. The Chair provided a summary of the SAR outcomes and explained that, whilst many areas had improved since 2016/17, the college had not increased judgment grades for these areas. He explained that the Grade 2 (good) judgment represented a wide band in terms of performance levels and it had been determined that these areas had improved from the lower part of that band to the higher part. Members acknowledged that this meant a number of areas were now close to a Grade 1 judgment and may reach this level by the end of 2018/19.</p> <p>The Annual Safeguarding Report was discussed and a number of proposed amendments to the Safeguarding Policy and Prevent Strategy were noted. Members commented that the policy related only to safeguarding of children and the Vice Principal, Corporate Services explained that the Safeguarding Vulnerable Adults Policy would also be reviewed at a later date under a proposed policy review schedule. The Lead Governor for Safeguarding suggested that she was willing to attend the Curriculum & Student Matters Committee for meetings where safeguarding policies were to be reviewed and members concurred that this would be helpful. The Clerk agreed to put these arrangements in place.</p> <p style="text-align: right;">Action: Clerk</p> <p>The Lead Governor for Safeguarding also suggested that talking to students about safeguarding matters would be useful during Links Visits and highlighted the need for the college to maintain focus on making students aware of far right and extremist British radicalisation, as well as focusing on other forms of extremism. It was also noted that the Safeguarding Team would make a presentation to governors as part of the governor development programme in March 2019.</p> <p>Proposed amendments to the committee's terms of reference were also discussed. It was noted that these related primarily to changes to reflect actual practice for the re-appointment of members and to align more closely to the terms of reference of other committees. It was also noted that a recommended change to the arrangements for the election of the committee Chair would be discussed further under a later agenda item relating to a Scheme of Delegation.</p> <p>RESOLVED:</p> <p>i) That the Self-Assessment Report for 2017/18 and Quality Improvement Plan for</p>

		<p>2018/19 be approved;</p> <p>ii) That the proposed revisions to the Safeguarding Policy and Prevent Strategy be approved; and</p> <p>iii) That the proposed Curriculum & Student Matters Committee terms of reference be approved, subject to resolutions relating to the Scheme of Delegation.</p>
9	GB/18/12/027	<p>RESOURCES COMMITTEE – 22ND NOVEMBER 2018</p> <p>The Chair of the Resources Committee presented the draft minutes of the meeting of 22nd November 2018 and highlighted a number of matters discussed at the meeting. She explained that committee members were encouraged to learn that sickness absence rates had continued to fall and that staff utilisation rates had also been reviewed. Members acknowledged that the committee was concerned that the current 100% utilisation rate was not sustainable, although it was noted that measures were being put in place to provide additional support in areas most affected.</p> <p>The Chair advised that the committee had also reviewed the Annual Report & Financial Statements and were satisfied with the auditor's report and clarification provided by the Finance Director. She also advised that the committee had discussed the current loan facilities with Barclays Bank. The Chair explained that the college currently had two loans with Barclays and that the larger loan which was taken out in 2012 would be subject to a final bullet repayment of £3.275M in October 2026. It was noted that the second loan taken out in March 2016 was due to be repaid over five years with the final payment due in March 2021. It was also noted that the committee had concluded that it would be important to mitigate the risk that replacement lending may not be available in 2026 and that mitigation options had been discussed.</p> <p>The Chair advised that it was agreed that an appropriate balance would be struck if the college continued to allocate the equivalent of its loan payments on the second loan when it was repaid in March 2021 to the planned repayment of the main loan. It was acknowledged that this would have the effect of meeting a large part of the final payment of the main loan when it became due without causing the college to be unable to continue with key investment plans. She commented that this would still require regular review in terms of further opportunities to reduce the risk or gaining greater clarity in relation to the likelihood of re-financing being available in 2026.</p> <p>The Chair explained that the committee had considered the Health & Safety Annual Report, including improvements in the college's approaches to the safety and welfare of students, staff and visitors. She also explained that the Health & Safety Policy had been reviewed and that a number of proposed changes were recommended. It was noted that there had been no legislative changes since the policy was last reviewed and the proposed changes were relatively minor in nature.</p> <p>The Clerk outlined a number of proposed amendments to the committee's terms of reference, including changes to reflect the committee's role in monitoring performance against key performance indicators, changes to reflect the current practice for the re-appointment of members and acknowledgement that it would be the Audit Committee that recommended the Annual Report & Financial Statements to the Board after receiving professional advice from the External Auditor. It was noted that a proposed change to the approach for election of the committee Chair would be considered under a later agenda item.</p> <p>RESOLVED:</p> <p>i) That the approach to mitigating the risk associated with the final repayment of the college's main Barclays Bank loan recommended by the committee be approved as the basis upon which to develop medium-term investment strategy at the college;</p>

		<p>ii) That the proposed revisions to the Health & Safety Policy be approved; and</p> <p>iii) That the proposed Resources Committee terms of reference be approved, subject to resolutions relating to the Scheme of Delegation.</p>
10	GB/18/12/028	<p>REMUNERATION COMMITTEE – 22ND NOVEMBER 2018 (PART 1)</p> <p>The Chair presented the draft minutes of the meeting of 22nd November 2018 and highlighted proposals to amend the committee’s terms of reference, including clarification of confidentiality requirements and an improved focus on equality and diversity principles.</p> <p>RESOLVED: That the proposed Remuneration Committee terms of reference be approved.</p>
11	GB/18/12/029	<p>FINANCE: MANAGEMENT ACCOUNTS OCTOBER 2018</p> <p>The Finance Director presented the draft management accounts for October 2018, which showed an operating surplus of £2.2M against a budgeted surplus of £1.6M. He explained that the positive variance of £600K was attributable to the ESFA funding profile, which provided a higher proportion of the college’s income in the first three months of the financial year. It was noted that this would settle back as the funding profile would reduce again in the Spring Term. The Director highlighted discussions earlier in the meeting relating to 16-18 apprenticeship funding and that the income expectations within the management accounts had been reduced to reflect these concerns. He explained that the values had been reduced only to funding allocation values, rather than the expected recruitment values originally included within the budget.</p> <p>Members discussed the positive and negative variances of relevant budget lines, including improved income for High Needs funding and 19+ apprenticeships, and reduced pay costs. Members also discussed depreciation, pension matters and current cash balances.</p> <p>It was noted that the overall financial position still met with the requirements of banking covenants and retained the college’s ‘good’ financial health based on ESFA assessment criteria. The Finance Director was asked to include a year-to-date profile within the financial forecasts to reflect the budgeted cash forecast against actuals.</p> <p style="text-align: right;">Action: Finance Director</p> <p>RESOLVED: That the Management Accounts for October 2018 be approved.</p>
12	GB/18/12/030	<p>CONCESSIONARY BUS TRAVEL FOR 16-18 YEAR OLDS IN GREATER MANCHESTER</p> <p>The Principal advised that, following commitments from the Mayor to improve affordability of bus travel for young people, the Greater Manchester College Group had been asked to commit to a trial of a concessionary bus travel scheme. She explained that colleges approached travel costs individually in a range of different ways and the impact of the scheme would vary from organisation to organisation. It was noted that the proposals were planned to be implemented on a pilot scheme basis and for Wigan & Leigh College would involve a continuation of supporting Greater Manchester students who were eligible under the bursary criteria, which was currently circa £167K but that this may alter from year to year. It was also noted that the new scheme would only cover young people resident in Greater Manchester, so the college would need to continue to fund bus passes for students living outside the Greater Manchester area.</p>

		<p>The Principal reported that all General FE Colleges within the area were being asked to contribute, although no funding was expected from sixth form colleges. The Principal also reported that the planned scheme was in its early stages and there was no guarantee that it would come into being. Hence, it was noted that a decision was required from the Board 'in principle' only. The Lead Governor for Safeguarding asked whether the college would have input into behavioural issues and sanctions under the proposed scheme. The Principal responded that the detail of the scheme had not yet been developed to this level of detail, but that she hoped college would have input into this and other matters.</p> <p>RESOLVED: That the proposal in principle for Wigan & Leigh College to participate in the pilot bus pass scheme be approved.</p>
13	GB/18/12/031	<p>DRAFT EQUALITY & DIVERSITY REPORT AND OBJECTIVES</p> <p>The Vice Principal, Curriculum drew members' attention to her draft Equality & Diversity Report and highlighted the proposed equality objectives. Members acknowledged that the data position on diversity had improved since reported in the 2016/17 report and noted that this also included staff data, including information relating to the college's gender pay gap.</p> <p>The Chair commented that the levels of achievement gaps were very encouraging and the Chair of the Resources Committee commented that the make up of the college's staff was well-balanced and representative.</p> <p>The Lead Governor for Safeguarding asked for amendments in the report on Page 5 to change references to 'disabled' to 'with a disability'.</p> <p style="text-align: right;">Action: Vice Principal, Curriculum</p> <p>RESOLVED: That the draft Equality & Diversity Report and Objectives be approved.</p>
14	GB/18/12/032	<p>SAFEGUARDING UPDATE</p> <p>The Lead Governor for Safeguarding reported on her recent visit with members of the Safeguarding Team and confirmed that safeguarding services appeared to be operating well. She explained that she had discussed mental health support with the team and had also seen a class on mental health during her recent Link Visit.</p>
15	GB/18/12/033	<p>LINK VISITS FEEDBACK</p> <p>The Vice Principal, Curriculum outlined the governor feedback from the recent round of Link Visits. She explained that the visits had focused on Social Care & Health, Sport & Public Services and Fab Futures. It was noted that four governors had attended the visits and that the feedback from all four had been very positive. Each of the governors who had attended Link Visits provided an outline of their visit and their key observations.</p> <p>The Clerk advised that, as only four governors had attended, a second round of visits would be arranged to take place before Easter and that the date for these would be circulated early in the new year. He also advised that the Link Visit date would be set at the same time as the main meeting schedule in future in order to increase governor availability and to avoid the need for a second round of visits.</p> <p style="text-align: right;">Action: Clerk</p>

16	GB/18/12/034	<p>SCHEME OF DELEGATION</p> <p>The Clerk advised that the draft Scheme of Delegation appended to his report was intended to codify delegation arrangements from the Board to its committees. He reminded members that a request had been made at the Strategic Workshop in May 2018 to review the Board's delegation arrangements, with a view to reducing duplication and increasing delegation for final decision-making where it was appropriate to do so. It was noted that the proposed scheme included a number of changes to the current delegation arrangements, which were outlined by the Clerk. These included:</p> <ul style="list-style-type: none"> • Approval of committee minutes by the relevant committee rather than by the Board; • Appointment of committee Chairs by the relevant committee rather than by the Board; • Members' skills audits and attendance reports to be presented only to the Search & Governance Committee, with the Board receiving only the summary of discussions within the committee minutes; • Annual Report & Financial Statements to be recommended for approval by the Audit Committee after receiving professional advice from the External Auditor (rather than recommendation by the Resources Committee); • Approval of Management Accounts by the Resources Committee, rather than by the Board; • Reporting of Sub-Contracting matters to the Resources Committee prior to presentation to the Board for final decisions relating to sub-contracting strategy and financial values; • Complaints Reports and Stakeholder Feedback Reports to be received by the Curriculum & Student Matters Committee only; and • Capital Projects to be monitored directly by the Board. <p>It was also noted that the proposed scheme included a review schedule for policies and other documents in order to ensure that these were reviewed at an appropriate interval. The Clerk highlighted a number of additional documents recommended for Board approval and a number where it was recommended that they should be subject to executive approval. The Support Staff Governor commented that it was helpful to see the policies and other documents requiring Board approval in a full list and to have a clear schedule for review and at appropriate intervals.</p> <p>The Chair expressed some concerns in relation to the proposal for committees to appoint their own Chairs and suggested that it was vital that Board members could have confidence in these appointments. The Chair of the Resources Committee also suggested that it may be appropriate for the Search & Governance Committee to make recommendations where relevant in terms of succession planning for Chair appointments based on the skills audits presented to the committee. Members concurred with this suggestion and it was agreed that the draft Scheme of Delegation should be amended to reflect this. It was noted that terms of reference considered earlier in the meeting would need to be further amended to account for this proposal.</p> <p>RESOLVED: That the proposed Scheme of Delegation be approved, subject to agreed changes relating to the appointment of committee Chairs.</p> <p style="text-align: right;">Action: Clerk</p>
17	GB/18/12/035	<p>ANY OTHER BUSINESS</p> <p>The Chair advised that a decision in principle by the Board was required to approve potential further sub-contracting activity with an existing sub-contractor, Wigan Warriors. It was noted that this related to Adult Education Budget funding and was</p>

		likely to be in the region of £70K should discussions with the partner lead to agreement for the activity to be added to existing plans. RESOLVED: That increased sub-contracted provision of approximately £70K (AEB) with Wigan Warriors be approved in principle.
		DATE OF NEXT MEETING 5.00pm Tuesday 11 th December 2018
		Part 1 of the meeting closed at 7.05pm and staff and student governors left the meeting. Jenny Bullen also left the meeting at this time due to other commitments.