## MEETING OF GOVERNING BOARD

**TIME/DATE 5.00pm, TUESDAY 9th JULY 2019**

**VENUE GATEWAY CONFERENCE ROOM, PARSONS WALK, WIGAN**

## ATTENDANCE Independent Governors Frank Costello, Chair

 Diane Brennan

Ann Harrison

Susan Loudon

 Susan Spibey

Katherine Causey

*Janet Minto*

Jenny Bullen

Michael Ferraby

*Gill Edwards*

Andrea Ferguson

 Staff Governors *Jennifer Cockram*

*Catherine Langstreth*

Student Governors *Rachael D’Arcy*

 *Marie McGahey*

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 Dave Harrison

Sub-contracting

Guest Matthew Hirst, Fusion

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

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| **Item** |  | **The meeting opened at 5.05pm and was quorate with at least 7 members present.**  |
| **1** | **GB/19/07/058** | **APOLOGIES** Apologies for absence were received from Gill Edwards, Janet Minto and Jennifer Cockram. It was also noted that Gai Murphy had now resigned from the Governing Board.  |
| **2** | **GB/19/07/059** | **DECLARATION OF INTERESTS**There were no declarations of interest. |
| **3** | **GB/19/07/060** | **PART 1 MINUTES OF THE GOVERNING BOARD MEETING HELD ON 26TH MARCH 2019** The minutes were approved as a correct record for signature by the Chair. |
| **4** | **GB/19/07/061** | **MATTERS ARISING**The Clerk advised that all items on the Action Sheet were now complete. |
| **5** | **GB/19/07/062** | **UPDATE ON MAP OF LOCAL PROVISION**The Principal provided a summary of changes in the map of local further and higher education provision. She explained that ProCo, a local private training provider, had closed in recent weeks and that the college had agreed to take on a small number of ProCo apprentices in order to minimise the impact on the learners. The Principal confirmed that an Education & Skills Funding Agency (ESFA) contract variation had been agreed to cover the cost and that some learners who were either out of funding or close to that position had been declined by the college. The Chair asked whether the ProCo apprentices would have a negative impact on the college’s quality data. The Principal responded that, as the numbers were small, no significant data impact was expected. She also commented that most of the learners had not progressed as expected, although plans were in place to close the progress gap or to extend end dates where appropriate to allow a short period of additional time to complete the apprenticeship programmes. The Chair asked whether members would be able to see the impact of these additional learners on overall college apprenticeship performance and the Principal confirmed this would be possible.Members noted that the Principal had previously reported the closure of the UTC opposite the Wigan campus. Possible future uses of the building were discussed and it was noted that there were likely to be competing interests with differing views on how the building should be used in future and that it would be a decision for the Department for Education in terms of longer-term plans. However, it was noted that the college had held discussions with Wigan Council about the potential for multi-use of the building covering both the Council’s strategic priorities and potential use by the college.The Principal also advised that Rathbones Training in Wigan was closing and that the college had met and was working with the Council to discuss ways in which it could help meet the needs of displaced learners. However, she also advised that the learners at Rathbones would require specialist provision and were unlikely to be suited by existing college accommodation. Members noted that the Principal would report back on any further discussions with the Council regarding alternative provision to mainstream college. |
| **6** | **GB/19/07/063** | **GREATER MANCHESTER ‘OUR PASS’: CONCESSIONARY TRAVEL**The Principal reminded members that the Board had previously approved in principle the college’s commitment to a GMCA scheme for free bus travel for 16-18 year olds living within Greater Manchester. It was noted that the ‘in principle’ approval had been subject to gaining assurance from the Education & Skills Funding Agency (ESFA) that using the college’s bursary fund to contribute towards the travel scheme would meet the ESFA audit requirements. The Principal confirmed that the ESFA had confirmed that this was the case, providing students met eligibility requirements through the bursary scheme. She also advised that the ESFA would carry out eligibility ‘spot checks’ towards the end of each Autumn Term and would undertake a value for money assessment.Members noted that all nine Greater Manchester colleges were currently committed to support the first two-year pilot of the initiative, although some had not formally confirmed this at this stage. The Principal confirmed that she did not expect there to be a negative financial impact as the support would simply involve the diversion of bursary funding currently spent on student travel to ‘Our Pass’. Members asked whether the college’s students would still receive free ‘Our Pass’ travel if the college declined to provide funding. The Principal confirmed this would be the case but explained that the initiative had been discussed with the GMCG from the beginning and the college had committed up to the level of the bursary spend. It was also noted that private funding had been secured by the combined authority.The Principal confirmed that the college planned to continue to fund travel for out of Borough learners and those who turned 19 during their year of study, whilst learners aged 16 to 18 living in Greater Manchester would now be funded under the ‘Our Pass’ arrangements.**RESOLVED:** That the Principal be authorised to continue the planned financial support of the ‘Our Pass’ initiative. |
| **7** | **GB/19/07/064** | **STRATEGIC WORKSHOP REPORT**The Clerk advised that this report was intended to provide a brief summary of matters discussed at the recent Strategic Workshop in order to record the workshop activity and to provide an overview for any governor who was unable to attend on the day.The Chair commented that the workshop activity had been very useful and had provided greater clarity on a number of matters, including local, regional and national political priorities. He thanked the Executive Team for organising the event. Members who had been unable to attend commented that the report provided a helpful overview of the workshop activity. |
| **8** | **GB/19/07/065** | **AUDIT COMMITTEE – 12TH JUNE 2019**The Chair of the Audit Committee presented the draft minutes of the meeting of 12th June 2019 and reported that the committee and other governors had taken part in a development session delivered by the Internal Auditor about the new further education insolvency regime.In relation to the Internal Audit Progress Report, the Chair advised that reports had been positive and drew members’ attention to the summary provided within the minutes. She explained that all but two of the audit reports had provided ‘substantial’ assurance and had contained no improvement recommendations. Members discussed the two audits where recommendations had been made and noted that both had concluded that ‘reasonable’ assurance was in place. The first of these related to GDPR compliance and the Chair advised that the auditor had commented that recommendations could be expected given that the GDPR compliance arrangements had only recently been introduced. The second related to the Mock Funding audit for apprenticeships and adult provision. The Chair advised that this report had not yet been finalised as management responses were still required. It was noted that the final report was due to be circulated to Audit Committee members shortly.The Chair of the Board drew members’ attention to commentary within the minutes regarding difficulties in recruiting a suitably qualified and experienced Payroll Manager and considerations on whether to outsource payroll services. He asked that a further update be provided. The Vice Principal, Corporate Services responded that further progress had now been made and that the outsourced services were expected to be in place by August 2019. She explained that the outsource company already provided the college’s iTrent system so that the new arrangements would simply involve extending the current level of service.The Chair of the committee provided a brief summary of the way in which the auditor had reviewed the college’s risk register and known sector risks to establish proposals for the Internal Audit Plan for 2019/20 and commented that the plan provided a suitable and broad range of coverage. She also provided a summary of the Financial Statements audit plan and discussions with the External Auditor about key risks to be reviewed during the audit. Members were pleased to learn that the External Auditor had recognised the need to provide greater added value as part of the auditing services and had agreed to train all staff involved to consider potential recommendations throughout the audit in order to help deliver further improvements. It was noted that the auditor had also agreed to deliver a development session for Audit Committee and Resources Committee members on the role of the External Auditor and the key processes involved in the Financial Statements audit.**RESOLVED:** 1. That the Internal Audit Plan 2019/20 be approved; and
2. That the Financial Statements 2018/19 Audit Planning Memorandum be approved.
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| **9** | **GB/19/07/066** | **CURRICULUM & STUDENT MATTERS COMMITTEE – 18TH JUNE 2019**The Chair presented the draft minutes of the meeting of 18th June 2019 and highlighted key topics of discussion. It was noted that the committee had received a presentation from the Hair & Beauty curriculum area. The Chair was pleased to report that the area had made clear progress in terms of delivering improvements. The Chair advised that the committee had discussed progress in relation to overall and timely achievements of apprenticeships. It was noted that the current data demonstrated that legacy issues were still impacting negatively on outcomes. He also commented that there were still lessons to be learned in relation to the expectations of higher education students as survey outcomes showed that further improvements could be made. Members were pleased to learn that the college’s bid to deliver T Levels had been successful and that the first areas to be included were health and science, education and childcare, and construction. It was acknowledged that introducing T Levels would be challenging but that it was important to get involved in these qualifications early as they were clearly a priority for government.The Chair also outlined the current position in relation to the Curriculum & Quality KPI Dashboard. The Vice Principal, Curriculum reported that attendance and retention had further improved and that achievements were expected to improve as a result. She also reported that a notable improvement in timely completion of apprenticeships was expected and that overall achievements would remain steady.The Chair also drew members’ attention to the draft Equality & Diversity Scheme, which would require approval by the Governing Board.**RESOLVED:** That the draft Equality & Diversity Scheme be approved. |
| **10** | **GB/19/07/067** | **RESOURCES COMMITTEE – 13TH JUNE 2019**The Chair for the meeting presented the draft minutes of 13th June 2019 and reported that the HR KPI Dashboard and Report had shown positive performance data and confirmed that positive strategies were in place to overcome recruitment challenges for specialist posts that had proved to be difficult in terms of encouraging suitable candidates to apply. She also outlined key elements of the college’s management accounts and commented that additional commentary provided by the Finance Director had been helpful in members’ discussions at the meeting. Members were pleased to learn that the overall financial position had improved against original forecasts and that the resulting additional investment in estates, IT and the curriculum was having a significant and positive impact.The Finance KPI Dashboard was discussed and it was noted that some KPIs remained ‘red’. The Chair suggested that aspirational targets should be reviewed in some cases as they did not provide an accurate reflection of college strategy. In particular, it was noted that the target to reach ‘outstanding’ financial health may not be appropriate as the current strategy of reinvestment of financial surplus meant that achieving this target would remain unlikely. The Principal responded that these targets would be reviewed at the start of the new academic year and proposals would be brought to the Governing Board in October 2019.The Chair of the Audit Committee highlighted the identified risk of a ‘balloon’ payment due in 2026 in relation to one of the college’s two bank loans and asked for further information. The Principal explained that the bank was supportive of the college’s reinvestment plans and had discussed opportunities to re-finance the ‘balloon’ payment value when it falls due. The Finance Director also explained that the second loan was due to be repaid in 2021 and current plans included allocating the equivalent value of the second loan payments to the ‘balloon’ payment due five years later. Members noted that this would reduce the value of the expected payment by around 50%, which would help to mitigate the risk.The Chair of the Resources Committee advised that the matter had been discussed in considerable detail by the committee and it had been concluded that the planned approach represented a reasonable balance between achieving investment priorities and managing the payment risk. However, it was also noted that the situation would remain under review and it was likely that the risk could be further mitigated before 2026. She also advised that the risk would be included on the college’s risk register in order that the Audit Committee and the college’s auditors were also fully informed.The Chair for the meeting advised that the ESFA Financial Dashboard had been reviewed and that it indicated that the college’s financial health remained ‘good’.The 2019/20 budget and 2020/21 Financial Plan were discussed and the Chair commented that assumptions appeared to be prudent, particularly in relation to growth in student numbers. She commented that the college’s approach to budgeting staffing costs was prudent as it was based on the full staffing requirements identified in the curriculum planning process. However, she also commented that potential delays in recruitment and the effect of longer-term vacancies was likely to mean that the budget would be underspent in some years. Members acknowledged that this approach was preferable to and more prudent than trying to estimate underspends within the budget itself. They also acknowledged that the current approach would meet with ESFA and FE Commissioner expectations. However, it was noted that the committee would be able to keep under review underspending within staffing costs in order to help identify ways in which resulting increases in surplus would be utilised.The Chair outlined proposals for the Sub-contracting Strategy for 2019/20 and advised that the total value of proposed partnership working was further reduced from the previous year. It was also noted that the Strategy now focused more clearly on local provision and working with local partners who could deliver benefits for the community. The Assistant Principal explained that the Sub-contracting Strategy may need to be amended during the year as a result of due diligence outcomes or the capacity of partners to deliver planned activity. He confirmed that any proposed changes would be brought back to the Board for further consideration.**RESOLVED:** 1. That the Budget for 2019/20 be approved;
2. That the Financial Plan to 2020/21 be approved; and
3. That the Sub-contracting Strategy for 2019/20 be approved.
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| **11** | **GB/19/07/068** | OFFICE FOR STUDENTS: FINANCIAL SUSTAINABILITY REPORTThe Finance Director explained that the Office for Students had written to higher education providers to highlight a concern that institutions continued to forecast an increase in student numbers, despite data indicating that overall numbers in higher education were reducing. Members noted that Governing Boards should be aware of the risk of over-optimism in forecasting income values but were satisfied that the college had taken a suitably cautious approach and had not forecast further higher education growth in 2019/20.The Principal also advised that the college kept recruitment values under constant review in order to re-direct resources away from any area of college activity that under-recruited against expectations. |
| **12** | **GB/19/07/069** | FE COMMISSIONER: LEARNING POINTSThe Chair advised that a letter had been received from the current FE Commissioner, which had contained ‘10 Learning Points’ highlighting expected practice based on the Commissioner’s observations during college interventions. He also advised that the letter had included an annex of 10 further learning points from the FE Commissioner’s predecessor: ‘the 10 C’s’.It was noted that the Clerk had completed a summary of the ways in which Wigan & Leigh College met the expectations within both sets of learning points. The Clerk drew members’ attention to this summary and explained that the college met all learning points with the exception of one relating to the provision of management accounts to all governors and the inclusion in these of a 24-month rolling cash flow forecast. It was noted that the inclusion of the 24-month cash flow forecast would be an ESFA requirement from September 2019 and would therefore be reflected in future management accounts. It was also noted that, to meet best practice, management accounts would also be sent to all governors from September 2019. |
| **13** | **GB/19/07/070** | BARCLAYS BANK FACILITIES AGREEMENT: COMBINED AUTHORITY CONTRACTThe Director of Finance explained that the facilities agreement from Barclays Bank was intended to provide a guarantee in relation to the Centre of Excellence project at the Pagefield Centre in order to secure GMCA capital funding of £600K. The Director of Finance also drew members’ attention to draft minutes from Barclays Bank and members agreed that these accurately reflected discussions relating to this matter. Hence, the following section of the minutes were approved:There was produced to the meeting a document containing the key terms of a facility as well as terms and conditions (together the Facility Agreement) from Barclays Bank PLC (the Bank) to the Borrower setting out the terms and conditions upon which the Bank is prepared to make available to the Borrower a Bonds, Guarantees and/or Indemnities facility (the Facility) in the maximum principal sum of £600,000.00 and a form of Counter-Indemnity (as defined in the Facility Agreement).It was RESOLVED: 1. That the borrowing by the Borrower of up to the full amount of the Facility on the terms and conditions set out in the Facilities Agreement and the Counter-Indemnities (as defined in the Facilities Agreement) is in the interests of and for the benefit of the Borrower and is most likely to promote the success of the Borrower for the benefit of the members as a whole and that such terms and conditions be and are approved and accepted.
2. That Frank Costello and Anna Dawe are authorised to sign the Facility Agreement on behalf of the Borrower to indicate acceptance of the terms and conditions.
3. That the Bank is authorised to act in all matters concerning the Facility upon instruction from the Borrower signed in accordance with the Bank’s mandate for any of the accounts of the Borrower held with the Bank current from time to time.
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| **14** | **GB/19/07/071** | TREASURY MANAGEMENT: APPROVAL OF INVESTMENTSThe Director of Finance explained that Treasury Management arrangements were usually approved by the Resources Committee but that the current report was being presented directly to the Board as the proposals from the bank had not been finalised at the date of the last committee meeting.He outlined the proposals and explained that the college’s current banking arrangements provided a 0.45% interest return through an interest-bearing current account. However, it was noted that the college carried cash balances in excess of those required for day-to-day requirements and was able to deposit around £2M in a higher interest with notice account. The Finance Director advised that this would increase the interest rate to 0.95% and deliver an increase in return of around £10K per annum with no risk to the investment capital value. Members discussed the deposit options and the Director recommended that the Board considered an investment account called ‘The Green Link’. He explained that this also provided 0.95% return but focused only on products in pursuit of a lower carbon economy.**RESOLVED:** That the Finance Director be authorised to deposit additional cash balances as required into ‘The Green Link’ higher interest account. |
| **15** | **GB/19/07/072** | CORPORATION SEAL: APPROVAL OF USEThe Clerk reminded members that use of the Corporation Seal required the approval of the Board. He explained that its use was required for four documents relating to current capital projects.Members acknowledged that approval was provided by the Governing Board for the Principal to seek capital grant funding from GMCA for a new Teaching Hub and Digital Academy at Leigh College, and a new Centre of Excellence for Engineering & Construction at the Pagefield Centre. It was noted that this capital funding was approved by GMCA and the college was now required to formalise arrangements. This included executing the funding contract as a deed using the Corporation Seal. It also included executing a deed of covenant relating to the future use of the college estate, and a cost overrun and completion guarantee as part of the funding arrangements. As part of the delivery of these projects, it was noted that the Governing Board had received an earlier report to indicate that contractors would be sought through normal college tender processes in order to carry out the required works. Whilst the Board had already delegated authority to the Chair to progress approval of these arrangements, it was noted that the current meeting was at a time where pre-approval could be sought for use of the seal. The Clerk advised that the contractor selected for the new Centre of Excellence for Engineering & Construction was John Turner Construction Group Limited and members noted the financial value of the contract. The Clerk advised that it was normal practice with high value construction contracts that they are executed with the Corporation Seal. Members recognised that the Principal would sign and initial the main contract agreement as required but that two governors would need to authenticate the application of the seal.**RESOLVED:**1. That the use of the seal on the funding contract, deed of covenant and overrun and completion guarantee with the Greater Manchester Combined Authority be approved;
2. That use of the seal on the project contract with John Turner Construction Group Limited be approved;
3. That the Principal and any other governor be authorised to authenticate the application of the seal on the Greater Manchester Combined Authority documentation; and
4. That the Chair and the Principal be authorised to authenticate the application of the seal on the contract with John Turner Construction Group Limited.
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| **16** | **GB/19/07/073** | LINK VISITS FEEDBACKThe Vice Principal, Curriculum provided a brief summary of governor feedback following the latest round of Links Visits. It was noted that the feedback had been very positive and that providing governors with the Self-Assessment Report and Quality Improvement Plan for the link visit areas in advance of the visits had proved to be helpful. Governors who had attended the visits provided specific feedback for the areas visited and it was clear that in all cases it had been evident that staff commitment and motivation had been impressive and students had provided exceptionally positive feedback to governors. Members commented that staff were constantly looking for new ways to bring subjects to life and to enhance the real working life experience. |
| **17** | **GB/19/07/074** | SAFEGUARDING UPDATEThe Lead Governor for Safeguarding reported on her recent visit with members of the Safeguarding Team and advised that the team had looked back on the current year and were justifiably proud of their achievements in 2018/19. She commented that previously reported improvements in attendance and retention would partly be the result of the care that staff show to students and the way in which students facing challenges at college or at home were supported. The Lead Governor reported that the team had clear plans in place to pick up support arrangements again for those students returning for a further year in 2019/20.Members were pleased to hear that safeguarding arrangements were working well and thanked members of the Safeguarding Team for their commitment and the support provided to students. Members also thanked all other staff at the college for their combined efforts in supporting students and fostering a safe and supportive environment. |
| **18** | **GB/19/07/075** | CYCLE OF BUSINESS 2019/20The Clerk outlined proposed dates for the 2019/20 Business Cycle and drew members’ attention to the key items of business planned for each meeting. The dates and proposed business were discussed and it was noted that the schedule of meetings followed the approach used in 2018/19. Members were also pleased to see that other key dates had been added at the request of members. These included Links Visits, Student Awards presentations and the annual HE Graduation Ceremony.**RESOLVED:** That the proposed meeting dates and schedule of business be approved. |
| **19** | **GB/19/07/076** | CAPITAL PROJECTS UPDATEThe Chair welcomed Matthew Hirst of Fusion to the meeting at 6.50pm and invited him to provide a presentation to members. Fusion provided an update in relation to the GMCA Skills Capital bids and members were pleased to note that bids for both projects had been approved by GMCA and that funding agreements were now being finalised. They also noted that the funding guarantee agreement with Barclays Bank had been agreed as discussed earlier in the meeting. Fusion outlined arrangements for the Leigh Digital Academy and advised that the college was considering bringing forward the planned completion date. Fusion confirmed that the planned budget for the Leigh project remained at £275K, with £225K being provided by GMCA.The Project Monitor arrangements were discussed and it was noted that these were now in place for both the Leigh and Pagefield projects. Fusion provided further detail in relation to the Pagefield project and advised that the overall budget was £1.81M, including a budget for the main contractor works of £1.38M. Fusion reported that works at Pagefield had commenced on 12th June 2019 and outlined the planned completion dates for each element of the project.Members discussed the feasibility study options for the re-development of the School for the Arts and Fusion outlined costs for full re-development of the existing site and members recognised that the costs for this option may be restrictively high, which would cause a significant delay in commencing the project. Members discussed alternative options. Fusion outlined the next steps for the projects, including commencing further dialogue with GMCA about the potential to provide capital support for the School for the Arts project. Members also discussed other opportunities to seek capital funding, including seeking Heritage Lottery funding. The Principal commented that the college may not be eligible for Lottery funding, but that she would re-check this to be sure.**RESOLVED:** 1. That continued delegated authority be given to the Chair to approve matters associated with the existing projects in order that further progress could be made in advance of the next Governing Board meeting; and
2. That the Principal be authorised to further develop options and plans for the School for the Arts with further reports being presented to the Governing Board in 2019/20.

Matthew Hirst left the meeting at 7.15pm. |
| **20** | **GB/19/07/077** | APPOINTMENT OF CHAIR OF THE GOVERNING BOARDAnn Harrison left the meeting at 7.15pmThe Clerk reminded members that he had recently invited nominations for the position of Chair of the Governing Board from 16th October 2019 when the current Chair would be leaving the Board. He advised that the only person nominated and seconded had been Ann Harrison, although several members had also written to add their support for her appointment as Chair. It was noted that Ann Harrison’s current term of office would cease on 13th October 2019 so that it would be necessary to review her appointment as a governor in order to approve an appointment as Chair of the Board.The current Chair explained that he would use his remaining period in office to provide support where necessary to the new Chair Elect in terms of the requirements of the role.**RESOLVED:** 1. That Ann Harrison be re-appointed as a governor with effect from 13th October 2019 and for a period of four years; and
2. That Ann Harrison be appointed Chair of the Governing Board with effect from 16th October 2019 until the end of her revised term of office on 13th October 2023.

Ann Harrison re-joined the meeting at 7.20pm |
| **21** |  | ANY OTHER BUSINESS The Chair noted that this was the last meeting of the academic year and wished to record his thanks to all members of the Governing Board and the Executive Team for their excellent contributions throughout the year. |
|  |  | DATE OF NEXT MEETING 5.00pm Tuesday 15th October 2019 |
|  |  | The meeting closed at 7.25pm  |