

CORPORATION AGENDA

Tuesday 18 June 2024, 5.30pm in Suite 3 of the Employer Hub

In attendance: Kathleen Graham, John Hamilton and Rebecca Walker (*Staff Observers*)

Online Observer: Melissa Drayson (*Rockborn – External Board Review*)

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 21 May 2024 (*Paper LMC/C/84/23 refers*) (*for approval*)

4. Matters Arising

- Mandatory Responsibilities: Health and Safety, Safeguarding and Equality, Diversity and Inclusion (*including SEND*)
- Corporation Action Checklist (*Paper LMC/C/85/23 refers*) (*for agreement*)

Strategic

5. Principal's Strategic Overview (*Paper LMC/C/86/23 refers*) (*for discussion*)

6. Accountability Agreement, including the Board's Duty to Review How Well the College is Meeting Local Skills Needs (*Paper LMC/C/87/23 refers*) (*for decision*)

7. Updated Campus Strategy (*Paper LMC/C/88/23 refers*) (*for decision*)

Performance

8. Report; Vice Principal Progress and Performance (*Paper LMC/C/89/23 refers*) (*for discussion*)

9. Report; Vice Principal Finance and Resources (*Paper LMC/C/90/23 refers*) (*for discussion*)

10. Latest Management Accounts and Funding Key Performance Indicators (*Paper LMC/C/91/23 refers*) (*for discussion*)

Statutory Responsibilities

11. Annual Franchise and Partnership Report, including Review of Supply Chain Fees and Charges Related to Subcontracted Provision Policy (*Paper LMC/C/92/23 refers*) (*for decision*)

12. Any Other Business

13. Dates of Next Meetings

Tuesday 16 July 2024, 5.30pm in Suite 3, Employer Hub

Tuesday 30 July 2024, 5.30pm online (*to be confirmed*)

14. Open Discussion

15. Confidential item for Corporation Members Only, Excluding Staff and Student Governors, under Section 40 of the Freedom of Information Act: Remuneration Committee Minutes (*Paper LMC/R/12/23 refers*) (*for discussion*)

NON-CONFIDENTIAL MINUTES OF THE CORPORATION MEETING HELD ON 18 JUNE 2024

Present:	Hilary Fordham (<i>Chair</i>))	
	Sarah-Jane Fletcher)	
	Lee Lawson)	
	Jane Taylor)	External Governors
	Gary White)	
	Steve Wood)	
	Elliott Taylor)	Student Governor
	Becky Davenport)	Academic Staff Governor
	Beverley Martindale)	Support Staff Governor
	Danny Braithwaite)	Principal

In attendance:	Ian Valvona ®	External Board Reviewer, Rockborn
	Kathleen Graham	Staff Observer
	John Hamilton	Staff Observer
	Rebecca Walker	Staff Observer
	Peter France	Vice-Principal Finance and Resources
	Charlotte Rawes	Vice-Principal Progress and Performance
	Oona Cushen	Governance Adviser and Clerk

® - Joined remotely via Teams

STANDING ITEMS

WELCOME AND APOLOGIES FOR ABSENCE

- C/23/497 The Chair advised members that the Interim Chair was ill, but would be available for the July meeting. The Chair welcomed all members to the meeting, including Ian Valvona, observing as part of the External Board Review, Kathleen Graham, John Hamilton and Rebecca Walker, staff observers who were attending as part of their Aspiring Leaders programme.
- C/23/498 Apologies for absence were received from Agata Estkowska, Yak Patel, Jonathan Powell and Lindsay Price. All papers will be taken as read to allow for maximum discussion time.

DECLARATIONS OF CONFLICT OF INTERESTS

- C/23/499 Conflicts of interests were declared for Sarah-Jane Fletcher (employer is an awarding body used by the College), Lee Lawson (employer is a subcontractor for the College), Gary White (Director of a local private training provider) and Steve Wood (partnership work with University of Cumbria and Lancaster and Morecambe Chamber of Commerce Ambassador).

DRAFT MINUTES OF THE PREVIOUS MEETING HELD ON 21 MAY 2024

- C/23/500 The Chair referred members to paper LMC/C/84/23 and advised that a couple of typing amendments had been notified and would be amended within the approved version.
- C/23/501 **The minutes of the previous meeting, held on 21 May 2024, paper LMC/C/84/23, subject to the minor amendments, were agreed as a true and accurate record.**

MATTERS ARISING

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

C/23/502 This item provides Governors or senior leaders with the opportunity to raise any concerns that have arisen since the previous meeting, in regard to the Corporation's statutory responsibilities, which are not covered within the standard reports. No items were raised at this time.

Corporation Action Checklist

C/23/503 The Governance Adviser referred members to paper LMC/C/85/23 and advised that several actions remained in progress. Some of those actions would be closed down as they had been transferred into the paper schedule for 2024/25. The Vice Principal Finance and Resources informed members that the safeguarding requirement would be enforced with Travellers' Choice at a meeting next week.

C/23/504 The Corporation discussed and agreed the Corporation Action Checklist; paper LMC/C/85/23.

STRATEGIC

PRINCIPAL'S STRATEGIC OVERVIEW

C/23/505 The Principal referred members to paper LMC/C/86/23 and advised that there is a confidential section of the report under Section 41 of the Freedom of Information Act. Paragraphs C/23/508 to C/23/512 are, therefore, minuted separately.

C/23/506 There were two specific elements of the report highlighted by the Principal. The first was the overview of the bi-centenary celebrations, for which there was an open invitation for all Governors to attend. The order of the day has been included in the report. Any Governors attending would be there to represent and support the College, as well as for the College to thank Governors for their contribution and involvement with the College as Governors. Governors will also have the opportunity to network and meet with internal and important external stakeholders, including the Deputy Lord Lieutenant of Lancashire. The event will be a good opportunity to showcase and celebrate all that the College is about. There will be two key elements to the event; the unveiling of the original plaque, which has been refurbished and modernised, in the Main Reception area, alongside the unveiling of a commissioned artwork from local artist Chas Jacobs in the newly completed courtyard. This will be followed by an Open Community Day on the Saturday, with a wealth of community organisations in attendance, including the Royal National Lifeboat Institution (RNLI) that is also celebrating its bicentenary this year. It will be a family-oriented day of activities to showcase all that LMC has to offer, as well as to celebrate its partnership working with a number of other community stakeholders and organisations.

C/23/507 The College's involvement with the Education Endowment Foundation Research, in regard to engagement and involvement, happened by chance and this is still at an early stage. There is not much active research within the post-16 Further Education sector, in fact it is noticeable by its absence. The Foundation will be undertaking research into why there is no research in the post-16 sector, and will be completed by well-respected people in the education sector. It will be a useful project for the College to be involved in, as, in the future, there may be some grant funding to access to look at reducing barriers to engagement in research, to have a voice in shaping policy and to influence decision-makers. Given the current climate for Further Education, it will be good to have more involvement with the Foundation and will provide some recognition for the College going forward. In order for the sector to undertake further research, it would be useful to know the type of research needed, or whether The Lancashire Colleges (TLC) have identified what would be useful, particularly in the North West.

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

- C/23/513 There were a range of interesting themes that emerged from self-assessment and that are included in the College's Quality Improvement Plan (QIP). Some of the Aspiring Leaders' group are focusing on female attendance to increase engagement in maths and English. The College also works with other colleges in the region on comparative benchmarking data, as well as the Association of Colleges (AoC) nationally to generate interest and to gain the positive momentum needed.
- C/23/514 **The Corporation received and discussed the Principal's Strategic Overview, paper LMC/C/86/23.**

ACCOUNTABILITY AGREEMENT, INCLUDING THE BOARD'S DUTY TO REVIEW HOW WELL THE COLLEGE IS MEETING LOCAL SKILLS NEEDS

- C/23/515 The Principal referred members to paper LMC/C/87/23 and advised that an overview of the document's purpose and what it means to the College from a Board perspective will be provided. Essentially, the Accountability Agreement seeks to ensure that the College's provision is aligned to meet local, regional and national skills priorities. It is a significant question to answer, with much work required around stakeholders and partnerships, both locally in the district, regionally, and some potential for national as well. It provides an opportunity to strategically review whether the College has taken account of the wealth of evidence and information on stakeholder demand and developed a curriculum that responds to those needs. Accountability Agreements were a relatively new concept, with the first one for LMC being last year. The previous Agreement was approved by Board and this update has been streamlined and refreshed to reflect the relevant partnerships and new developments that have already been advised to the Board and provide a direction of travel for the forthcoming year. This has then been translated into the action plan. Although the revised Strategic Plan will be presented at the next meeting for approval, the updated strategic objectives have been reflected in this document to avoid having to further update the document. Officially, the document is produced for the Department for Education (DfE) and for the Board to answer the question on whether it is meeting the skills needs by what has been set out within the document. It is incumbent on the Board, under its Duty to Review, to determine whether the College is meeting skills needs. Governors should take assurance that senior leaders are set up to deliver those plans and expectations.

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

- C/23/516 The content was consistent with themes already discussed with the Board, and provided a thorough focus and direction of travel, without losing anything from this year's Agreement. There was nothing of concern and no obvious omissions.
- C/23/517 There is an element of setting out the College's position on what it thinks it should be doing, and the action plan should be some form of measurement as to whether it has been successful in its delivery. Achievement will also be reported through ongoing discussions, senior reports and key performance indicators (KPIs) throughout the cycle of business. Governors could ask critical questions if there were gaps and omissions but, by and large, Governors should continually monitor progress throughout the year. It was queried whether the actions were outcomes or outputs and, although no major changes were required, all should be aware that there should be some measurable outcomes, and not just outputs.
- C/23/518 Although there has been much discussion about the Lancashire context, the College sits on the border of two other counties and also draws learners from those counties. Future iterations should include context for the South Lakes and Cumbria, and North Yorkshire, as well as the potential impact on change in boundaries, devolution, and the differing skills needs set out by those unitary authorities etc. The Principal acknowledged the request and advised that, although inclusion had been considered, he had tried to ensure that the document was as accessible as possible.

C/23/519 The document will be formatted into the College's house style, prior to uploading to the Department for Education (DfE) by 30 June 2024.

C/23/520 The Corporation discussed and approved the Accountability Agreement, including the Board's Duty to Review How Well the College is Meeting Local Skills Needs, paper LMC/C/87/23.

ACTION: For the next iteration, the senior team should ensure that reference to other counties bordering the College the impact of devolution and different skills required is included.

UPDATED CAMPUS STRATEGY

C/23/521 The Chair reminded Governors of previous discussion and the requested changes prior to Board approval and setting into the College's house style. The Vice Principal Finance and Resources referred members to paper LMC/C/88/23 and advised that the Strategy had been reviewed in detail at the previous Board meeting and all the comments raised had been incorporated to some degree and were highlighted in red within the document. There have been further comments submitted today, mainly around typing errors and grammar, and those amendments will be incorporated prior to the final version. Governors are requested to approve the Strategy, subject to those amendments, with the final formatted version to be re-presented at the next meeting.

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

C/23/522 Governors had previously requested a stronger link between the Strategy and what the College is trying to achieve through the curriculum, and how the proposed developments will address the problems highlighted to Governors. Although the Strategy is sufficient for the moment, it does not specifically link actions to addressing specific issues. Governors will need to carefully monitor the impact of developments as work progresses, and being clear on the benefits and outcomes of each project. The other item specifically discussed was the lack of social space, and the Strategy is insufficient in regard to the aspirations of Governors and the College, so this will also need to be carefully monitored going forward. Consultations with students should help to map out what type of social spaces they want on the campus.

C/23/523 There was a potential conflict between increasing teaching versus non-teaching space, and one objective may erode the other. It will be about freeing up social space through non-teaching spaces, so the teaching spaces are not reduced. The social space is more around outside social space and the canopied courtyard will be one element of that. Social spaces do not attract funding in the same way as, for example, the T Level upgrade. The Department for Education (DfE) Capital Transformation Grant is linked to condition category D buildings, which included the modular building. The development of the courtyard was incorporated into that project so those funds could be utilised for the development of social space, but it would be unusual for funding to be available just for the creation of social spaces. Being mindful of maintaining a responsible funding buffer, the team will consider how to integrate smaller additional social space projects within main development projects that will attract funding. Within the capital T Level project, for example, some breakout social space within the teaching area has been included.

C/23/524 It was noted that a better visual site plan will be included, as the one used was just a temporary addition by the surveyor to update the Strategy. The Principal advised that this was a visionary piece of work, but that the Strategy would remain an evolving working document as needs for students, and the Student Voice, develops and responds. The Strategy is about having a direction of travel to provide clarity on the purpose and for Governors to be sighted on the level of investment and commitment needed to transform the campus through phased approach. Governors welcomed the prospect of ongoing discussions and for a longer term strategy going forward to remove the ad hoc approach used to address specific issue as they emerged.

C/23/525 The document is very transactional at the moment, but the senior team wants to vision the document and add aspiration and a flavour of the intention behind the Strategy. As the format is updated, it should start to bring the document together with more images that reflect the picture of ambition. Although it may not be explicit within the Strategy, the Student Voice will be included in all aspects. There is a student representation group, alongside Student Governors, and students have contributed in a number of ways to the proposed campus development. The social space element is one, as there is not much internal space that students can use in poor weather. There has also been work around personal development and student representatives have also put forward suggestions for College groups, clubs etc., that students can start to develop and to create purpose for specific spaces.

C/23/526 There are many non-tangible things and, in some ways, it is about 'the feel' of the campus. In previous Board discussions around aspirations, it has been mentioned how other local colleges have created a different campus 'vibe' and it about how to create that same level of independence at LMC. The Strategy is delivering on what was being asked, but the outputs should address the needs of the whole College, not just curriculum and teaching space. The Strategy must reflect the overall ambitions of the College and be a mechanism to make this happen in a mirror reflection of the strategy vision of the College. It will be a big ask for a long term estates plan. When reflecting on the ambition within the Strategic Plan, there should be two or three core documents that connect together to realise that ambition, including the Curriculum Strategy and the Campus Strategy.

C/23/527 The Corporation discussed and approved the Updated Campus Strategy, paper LMC/C/88/23.

ACTION: *Vice Principal Finance and Resources to further update the Campus Strategy with requested amendments, and present the final version in the College's house style at the full Board meeting scheduled to be held on 16 July 2024.*

PERFORMANCE

REPORT; VICE PRINCIPAL PROGRESS AND PERFORMANCE

C/23/528 The Vice Principal Progress and Performance referred members to paper LMC/C/89/23 and advised that the key highlights included learner celebrations, including for some learners who had won awards with local organisations. 98% of teaching staff did meet standards in internal observations, with the staff member not meeting standards having since left the College. Looking at the key strengths and areas for development from the observations, the team will devise a comprehensive professional development plan to support teaching staff next year. The number of safeguarding cases is increasing, and this is a position that is going to remain. Learning support will be key as there will be challenges in teams around the increase in assessments of learners' needs. Project Assessment Boards are also being introduced to have clear oversight and feedback on the increasing number of external and funded projects.

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

C/23/529 Staff should be congratulated on the positive teaching profile. The College has a large number of learners with an Education, Health and Care Plan (EHCP), with 87% of those learners being in receipt of High Needs funding. This number is constantly increasing and staff should also be commended for the continued and increasing support work.

C/23/530 In regard to safeguarding, the College does have case studies available that provide a detailed timeline of actions and interventions taken, and additional support provided. The College has also adopted the Association of Colleges (AoC)'s Mental Health Charter, and has developed an action plan around each of its standards and staff are now working on those actions.

- C/23/531 There are no signs that the position will lessen in regard to safeguarding and support required. The College is working The Lancashire Colleges (TLC) group, as well as Designated Safeguarding Leads (DSLs) across the district, and all are giving the same picture. Schools are also seeing an increase in issues and from a safeguarding, pastoral and learning support perspective, bigger challenges are on the way. Lancashire County Council (LCC) is in crisis in terms of how it is supporting learners with an Education, Health and Care Plan (EHCP) in schools, as well as the transition from primary to secondary and from secondary to colleges. There is a backlog of consultation forms and Education, Health and Care Plan (EHCP) reviews etc. The Lancashire Colleges (TLC) group is working closely with the County Council to support its new team, but that will not help those learners transitioning now into colleges. From a strategic perspective, LMC has a collective voice through The Lancashire Colleges. County Council representatives did attend the last meeting of the Group to discuss the issues and were in 'listening mode'.
- C/23/532 Although there is merit in research to better understand the sector, there is a danger of too many assumptions being made. The Principal advised that the symptoms are known, but there is no obvious solution to the issues, and from a parenting perspective, there is a genuine need. Some external agencies have taken a step back, as they have been completely overwhelmed with requests and are not resourced to cope with the level of demand. This has been compounded through the Local Government Association's cost cutting programme, which has affected every council department.
- C/23/533 From a learning support point of view, the County Council is listening to The Lancashire Colleges (TLC) and have taken some action. It has implemented a whole new team, but, to date, is not in a position to help the current Year 11 learners as there have been no consultations and funding bands are unknown. The County Council should be in a better position this time next year, provided it retains a full team, as it will know who many will be in Year 11 and have time to forward plan. Currently, the Council is more reactive and has been caught out by the sheer volume of demand. The number of learners with an Education, Health and Care Plan (EHCP) in primary and secondary schools is also on the increase, so this is an issue that will remain for some time.
- C/23/534 Other colleges, especially in Lancashire, are experiencing the same issues. Cumbria may be less so, as it is thought that less than 10% of their 16-18 learners hold and Education, Health and Care Plan (EHCP). The data from Cumbria can be reviewed for comparative benchmarking, as well as that for Lancashire colleges.
- C/23/535 The College sits in a triangle of three counties, and it was queried whether the issues in these bordering counties are similar in nature. For LMC, it is a significant proposition from within Lancashire as there is a smaller volume of learners from outside the county, but the issues being seen are similar. The root causes are likely to be the same.
- C/23/536 Further research is needed to better understand why numbers are still increasing, particularly in primary and secondary schools, which will impact on the College in future years, so there does need to be a greater understanding of the long term implications. There is also a lack of spaces in alternative provision for these learners across this district, and the situation is mirrored across the whole of Lancashire.
- C/23/537 Governors were pleased to see the adoption of the Mental Health Charter, but the developing action plan must measure outcomes. The Vice Principal Progress and Performance advised that the Safer College Community Strategy based on the Charter is being reviewed, alongside the other over-arching themes overseen by the Safer College Community Committee. The College is also working with the Charlie Waller Trust, which has joined with the Association of Colleges (AoC) to deliver the Charter.
- C/23/538 The Corporation received and discussed the Report; Vice Principal Progress and Performance, paper LMC/C/89/23.**

REPORT; VICE PRINCIPAL FINANCE AND RESOURCES

- C/23/539 The Vice Principal Finance and Resources referred members to paper LMC/C/90/23 and advised there have been two Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) accidents since the last meeting. One was related to a student playing football, but not as a College activity, suffering a broken collar bone that required surgery and the second related to a staff member that fell down the stairs in D Block and suffered ligament damage and a fracture. Both accidents were investigated internally and the College was not found to be at fault in either incident. There has been no feedback from the Health and Safety Executive (HSE), but it is unlikely that there would be an external investigation. An update on each of the estates projects has been provided, along with an additional tabular summary previously circulated to Governors. The summary will be included in future reports.
- C/23/540 The creation of a central courtyard, following demolition of the modular building, is due to be completed by 04 July 2024 and in time for the bicentenary celebrations. It is substantially complete, with just some final decorating to be finished. The conversion of E Block into a maths and English hub is now fundamentally complete, subject to snagging works. The brickwork canopy is also complete; this has been a new canopy that construction learners can use to practice brick work and the installation went very well. It looks aesthetically pleasing and will be a nice space for students to use. All affected teams are being moved this week from the upper floors of C Block, in anticipation of the start of building works later this month for T Level courses. This project will be partially complete by September 2024, with the key focus being on the upgrade to the laboratories in B Block, with the remainder of the works to C Block aiming to be completed by the October 2024 half term.
- C/23/541 There are also two policies that require formal Board approval; the changes to the Local Government Pension Scheme are a reflection of the new guidance issued by the Advisory, Conciliation and Arbitration Service (ACAS). The changes do not alter practice as such, just a clarification on wording. The sickness policy changes reflect current practice in staff absence reporting. Both policies are available in full on request from the Governance Adviser.

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

- C/23/542 The delay in the central courtyard project has been down to a combination of factors; there has been separate contractors for the curtain walling and the canopy, with work having to be carried out sequentially. The delivery of the canopy was the biggest source of the delay, as it had taken a long time to arrive from being ordered to being manufactured.
- C/23/543 The Vice Principal Finance and Resources could not provide an update on the people involved in the accidents, but would check and advise the Governance Adviser. The Vice Principal Finance and Resources advised that it is unlikely that the College would have a 'zero-accident' policy in terms of dealing with accidents, which is not unusual in some sectors, e.g. nuclear. The College, however, does have handrails on all stairs, undertakes regular health and safety audits with external consultants and aims to keep all accidents to a minimum. It would be extremely difficult to reach zero accidents.
- C/23/544 The Vice Principal Finance and Resources was thanked for providing the additional capital expenditure table, which enabled Governors to have a clear synopsis of projects. Going forward, it would also be useful for Governors to have a data table on grant applications submitted, and how many of those were successful or not, particularly now that there is a specific post to oversee bid writing as, currently, there is no real sense of how much funding is potentially available.

C/23/545 The Vice Principal Progress and Performance advised that much of this would be covered within the new Opportunities Register, which is due to be presented to the Audit and Risk Assurance Committee next week. The new register will detail the available opportunities and bids that have been submitted for various projects. Information on the Institute of Technology and the EDF partnership will also be included. This will be presented to Board, alongside the risk register. The new register is a working draft and feedback will be sought from Governors on whether this provides the information sought.

C/23/546 The Corporation received and discussed the Report; Vice Principal Finance and Resources, paper LMC/C/90/23 and approved:

- **The amendment to the Local Government Pension Scheme (LGPS) Employer Discretion Statement; and**
- **The amendment to the Sickness Absence Policy.**

ACTION: Vice Principal Finance and Resources to check on the health of the two people involved in the accidents and provide an update to the Governance Adviser.

ACTION: Senior team to ensure that all bid opportunities and grant applications submitted are also included within the new Opportunities Register.

ACTION: Principal to ensure all relevant policies, including HR policies, have been presented to the new Staff Consultative Committee for comment and discussion.

LATEST MANAGEMENT ACCOUNTS AND FUNDING KEY PERFORMANCE INDICATORS

C/23/547 The Vice Principal Finance and Resources referred members to paper LMC/C/91/23 and advised that these were the April 2024 accounts. The operating deficit stood at £298k, which was around £200k better than budget. There was a positive Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) score of 2% (£215k), which, if maintained, should keep the College in good financial health. This is similar to a virtual cash surplus position when all the accounting adjustments that do not impact on cash reserves are removed. Trends are very much as previously reported throughout the year. The Adult Education Budget (AEB) skills funding and apprenticeships income will be reviewed, to ensure the assumptions in the accounts remain accurate. There is potential for this forecasted income to be reduced, which will increase the year-end deficit, but the Vice Principal Finance and Resources will consolidate the end-of-year forecast this week. There was a spike in staff costs in April, mainly due to the impact of the increase in the National Living Wage effective from 01 April 2024, as well as a 5% increase in employer contributions to the Teachers' Pension Scheme (TPS). Both of these, however, are being offset through some additional funding from the Department for Education (DfE). In summary, the accounts remain in line with budget and the College is still on target to achieve its year-end objective of an Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) score of 1% and, therefore, maintaining good financial health.

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

C/23/548 Advanced Learner Loan income is under budget at £75k, against a budgeted income of £113k, which is the year-to-date position. The commentary, forecasting an achievement of £100k loan income relates to the full year forecast.

C/23/549 The College had budgeted for a number of EDF courses, but these had not materialised and Governors questioned why these had not progressed. The Vice Principal Progress and Performance advised that there had been staff changes at EDF affecting the rollout of the courses, but that a cohort did, consequently, start in January 2024. That cohort should have started in September 2023. There is a meeting next week to review the provision required by EDF across both stations and strong partnership links remain through the project partnership work.

C/23/550 The level of risk associated with the review of adult and apprenticeship income is that the College could be looking at a lower forecast for adults than the £1.2m currently in the budget. Elements of adult funding increase during the year through enrolments, e.g. to maths and English community provision and English for Speakers of Other Languages (ESOL). The forecasts are constantly being updated. There is also achievement funding when learners complete and achieve, as well as distance learning provision, so there are some key variables. If projected income is not achieved, there is a degree of risk as this will impact on the end-of-year budget and on the bottom line. The reduction could, potentially, be circa £100k. Even with this reduction, the College should still be able to achieve the original budget and achieve good financial health, factoring in the additional funding already received.

C/23/551 **The Corporation received and discussed the Latest Management Accounts and Funding Key Performance Indicators, paper LMC/C/91/23.**

STATUTORY RESPONSIBILITIES

After re-declaring his Conflict of Interest, Lee Lawson left the meeting for this item.

ANNUAL FRANCHISE AND PARTNERSHIP REPORT, INCLUDING REVIEW OF SUPPLY CHAIN FEES AND CHARGED RELATED TO SUBCONTRACTED PROVISION POLICY AND THE SUBCONTRACTOR POLICY

C/23/552 The Vice Principal Finance and Resources referred members to paper LMC/C/92/23 and advised that a subcontracting arrangement is where the College draws money from the Department for Education (DfE) and then subcontracts with a third party to deliver some of its provision. It is very prevalent in the Further Education (FE) sector but, over recent years, there have been national incidences of malpractice and fraud. The Department for Education (DfE), therefore, introduced new rules and complex funding regulations, as subcontracting is viewed as high risk by the Department. The College maintains a prudent approach and has only worked with trusted subcontractors with which it has had a longstanding relationship. There are only two subcontractors at LMC. The College has worked with Lancaster Training Services (LTS) for many years, and its provision comprised 16-18, and occasionally adult, motor vehicle provision. There has been good partnership working for many years with Lancaster Training Services (LTS), their success rates are very good, they have a good quality team and the provision is reviewed on a regular basis. The College delivers maths and English to their students, where needed. The College has also worked with the Skills Network for many years, with their provision based on distance learning. There are regular meetings and quality assurance arrangements. Their achievement rate is consistently around 90%. Both contractors are of good quality and reliable.

C/23/553 Under current subcontracting rules, Governors are also required to approve the level of planned subcontracting. The report sets out the historic levels of subcontracting, as well as the proposed levels for 2024/25. The column headings in the table need amending; the first column is actual delivery in 2021/22, the second column is actual delivery in 2022/23, the third column is what is forecasted to be delivered this year, with the final column being the proposed levels for 2024/25. It is proposed to offer Lancaster Training Services (LTS) a contract for £75k next year, but will largely depend on their 16-18 recruitment. This last year, they managed to recruit more learners than historically, so funding increased. The forecast for next year is based on a similar recruitment position as this year. It is proposed to offer the Skills Network a contract of £170k, which is a slight reduction on this year's contract. It is part of the subcontracting requirements that colleges seek to reduce their overall volumes each year, so this small reduction ensures that the College complies with that guideline. The achievement rates for the last three years have generally been very good. For 2023/24, Lancaster Training Services (LTS) is predicting an achievement rate of 87.7%, which is in line with the College's predicted overall achievement rate. The Skills Network is predicting a 90% achievement rate. The team is happy with the performance of both subcontractors.

C/23/554 Governors are requested to approve to approve the two subcontractors, and the level of contracts as outlined in the report. Approval is also sought for the two associated policies, included as appendices, which set out the reasons for subcontracted provision and the quality assurance arrangements that are in place to manage this provision.

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

C/23/555 There is a slight increase for Lancaster Training Services (LTS), and the small decrease is unlikely to have any impact on the relationship with the Skills Network, as it is a large national organisation that is keen to work with as many colleges as possible.

C/23/556 The overall reduction in subcontracting levels is a national strategic direction of travel, as the Department for Education (DfE) considers subcontracting as an area of high risk. Some colleges have huge subcontracts, but these are relatively small for LMC.

C/23/557 Some colleges have been found to self-inflate the amount of provision they are able to deliver themselves in the College environment, and then increase their subcontracting to retain funding. The College has ensured that it works with reputable subcontractors that deliver provision that they are better suited to deliver than the College. This is the perfect way to implement subcontracting, and is a very sustainable position.

C/23/558 The Support Staff Governor, in her role as LMC Safeguarding Manager, advised members that both subcontractors are very good at keeping the College informed of any issues with learners, and in detailing any relevant support arrangements. Last year. Governors had much discussion about the effort required to maintain good subcontracting and whether the curriculum intent was still there. It would be useful if additional data on recruitment, leavers and achievers, in both number and percentage form, was included in future reports.

C/23/559 The Vice Principal Finance and Resources clarified that there were no changes to the existing policies, as this had been unclear in the report, and both policies will be published on the College website. One Governor noted that it should be appreciated the way in which the College's subcontracting provision is very well manager, as this is not the case in all colleges.

C/23/560 The Corporation discussed and approved the Annual Franchise and Partnership Report, paper LMC/C/92/23 and approved:

- **The level of subcontracting arrangements for 2024/25**
- **The Supply Chain Fees and Charges Related to Subcontracted Provision Policy 2024/25; and**
- **The Subcontractor Policy 2024/25.**

ACTION: *Vice Principal Finance and Resources to include numbers and percentages for recruitment and achievement.*

Lee Lawson re-joined the meeting.

ANY OTHER BUSINESS

C/23/561 The Governance Adviser requested that all Governors and senior leaders complete the External Board Review questionnaire by the deadline of Friday 28 June 2024.

INFORMATION

DATES OF NEXT MEETINGS

C/23/562 Tuesday 16 July 2024 at 5.30pm (*Apologies received from Sarah-Jane Fletcher*)
Tuesday 30 July 2024 at 5.30pm (*on Teams*) (*Apologies received from Becky Davenport, Sarah-Jane Fletcher and Jon Powell*).

OPEN DISCUSSION

C/23/563 This item was requested by Governors to enable discussion on wider items, and for suggestions for future agendas or in-depth reviews. It was confirmed that the website is in the process of being updated in regard to the Elected Home Educated 14-16 offer. Governors also noted that people are not thanked often enough for their efforts, and staff should be thanked more often for their dedication and commitment.

REMUNERATION COMMITTEE MINUTES

C/23/564 This is a confidential item for external members only, excluding Staff and Student Governors, under Section 40 of the Freedom of Information Act. Paragraphs C/23/565 to C/23/574 are, therefore, minuted separately.

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

APPROVED BY BOARD ON: 16 July 2024