

CORPORATION AGENDA

Tuesday 29 October 2024, 5.30pm in Suite 3 of the Employer Hub

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

Gary White

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 16 July 2024 (Paper LMC/C/108/23 refers) **(for approval)**

4. Matters Arising

- Mandatory Responsibilities: Health and Safety, Safeguarding (including Prevent) and Equality, Diversity and Inclusion (including SEND)
- Corporation Action Checklist (Paper LMC/C/01/24 refers) **(for agreement)**
- Appointment of Vice-Chair of the Corporation **(for decision)**

Strategic

5. **Confidential for Corporation Members Only, under Section 41 of the Freedom of Information Act: External Board Review Outcomes Report** (Paper LMC/C/02/24 refers) **(for discussion and approval)**

6. Principal's Strategic Overview (Paper LMC/C/03/24 refers) **(for discussion)**

Performance

7. Progress and Performance Report (Paper LMC/C/04/24 refers) **(for discussion)**

8. Analysis of Stakeholder Feedback 2023/24 (Paper LMC/C/05/24 refers) **(for discussion)**

9. Corporate Services Report (Paper LMC/C/06/24 refers) **(for discussion)**

10. Latest Management Accounts and Funding Key Performance Indicators (Paper LMC/C/07/24 refers) **(for discussion)**

Statutory Responsibilities

11. Draft Minutes and Papers of the Search Committee Meeting held on 15 October 2024 (Paper LMC/S/07/24 refers)

- **Review of (New) Governor Succession Planning and Training Policy** (Paper LMC/S/06/24 refers) **(recommended for approval)**

12. **Review of Financial Regulations 2024/25** (Paper LMC/C/08/24 refers) *(for decision)*
13. **Review of Standing Orders for the Corporation and its Committees, including Governors' Code of Conduct** (Paper LMC/C/09/24 refers) *(for decision)*

Consent

14. Items for Approval

- **Admissions Policy, including Admissions Appeal Policy** (Paper LMC/C/10/24 refers)
- **Health and Safety Policy** (Paper LMC/C/11/24 refers)
- **Safeguarding Policy** (Paper LMC/C/12/24 refers)
- **Maths and English Strategy** (Paper LMC/C/13/24 refers)
- **Annual Report on Governance 2023/24** (Paper LMC/C/14/24 refers)
- **Review of Confidential Items 2023/24** (Paper LMC/C/15/24 refers)

15. Items for Receipt

- **Confidential for Corporation Members Only, under Section 41 of the Freedom of Information Act: Annual Strategic Conversation Outcomes Letter** (Paper LMC/C/16/24 refers)
- **Annual Report 2023/24 of the Search Committee** (Paper LMC/S/03/24 refers)
- **The Lancashire Colleges Consortium Ltd Annual Report and Financial Statements** (Paper LMC/C/17/24 refers)

16. Any Other Business

17. Dates of Next Meetings

Tuesday 19 November 2024, 5.30pm in Suite 3, Employer Hub
Tuesday 03 December 2024, 5.30pm in Suite 2, Employer Hub

NON-CONFIDENTIAL MINUTES OF THE CORPORATION MEETING HELD ON 29 OCTOBER 2024

Present:	Hilary Fordham (<i>Chair</i>))	
	Steve Wood (<i>Interim Vice Chair</i>) ®)	
	Sarah-Jane Fletcher)	External Governors
	Lee Lawson)	
	Yak Patel)	
	Jonathan Powell)	
	Jane Taylor)	
	Becky Davenport)	Academic Staff Governor
	Beverley Martindale)	Support Staff Governor
	Danny Braithwaite)	Principal
In attendance:	Peter France		Vice-Principal Finance and Resources
	Charlotte Rawes		Vice-Principal Progress and Performance
	Oona Cushen		Governance Adviser and Clerk

® - Joined remotely

STANDING ITEMS

WELCOME AND APOLOGIES FOR ABSENCE

- C/24/001 The Chair welcomed members to the first Board meeting of the new academic year. All papers will be taken as read to allow maximum discussion time.
- C/24/002 Apologies for absence were received from Agata Estkowska, Lindsay Price and Gary White. Elliott Taylor has resigned from the role of Student Governor in order to focus on his studies and preparations for his End Point Assessment (EPA), as he is due to complete his apprenticeship in January 2025.

DECLARATIONS OF CONFLICT OF INTERESTS

- C/24/003 Conflicts of interests were declared for Sarah-Jane Fletcher (employer is an awarding body used by the College and daughter is a student at LMC), Lee Lawson (employer is a subcontractor for the College), Yak Patel (partnership work with Lancaster District Community and Voluntary Solutions), Jon Powell (partnership work with Lancaster University and Director of Lancaster and Morecambe Chamber of Commerce) 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 16 JULY 2024

- C/24/004 The Chair referred members to paper LMC/C/108/23 and advised that there were some minor typing amendments, which would be corrected for the final version. A question had been raised in advance of the meeting in regard to the confidential minute and the response to this is confidential item for Corporation Members only, under section 43 of the Freedom of Information Act. Paragraph C/24/005 is therefore, minuted separately.
- C/24/006 The minutes of the previous meeting, held on 16 July 2024, paper LMC/C/108/23, subject to the minor amendments, were agreed as a true and accurate record.**

MATTERS ARISING

Mandatory Responsibilities: Health and Safety, Safeguarding (including Prevent) and Equality, Diversity and Inclusion (including Special Educational Needs and Disabilities (SEND))

C/24/007 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. There were no items raised that were not covered within the main reports.

Corporation Action Checklist

C/24/008 The Governance Adviser referred members to paper LMC/C/01/24 and advised that a reminder had been sent to Marketing in regard to the guidance for Governors and use of logo. There had also been a comment, shared in advance of the meeting, that the Ofsted training was more of an 'information sharing' session, as opposed to formal training and not all Governors attended. The checklist will be updated to reflect this.

C/24/009 The Corporation discussed and agreed the Corporation Action Checklist, subject to word changes; paper LMC/C/01/24.

ACTION: Governance Adviser to update the wording for the Ofsted training session.

Appointment of Vice-Chair of the Corporation

C/24/010 The Governance Adviser informed members that, during the one-to-one Governor reviews with the Chair, Sarah-Jane Fletcher had expressed interest in becoming the Vice-Chair of the Corporation. As Mrs Fletcher is due to go on maternity leave, should the Board approve the appointment, Steve Wood, the current interim Vice-Chair, will continue to provide cover until Mrs Fletcher resumes full duties in April 2025.

C/24/011 Sarah-Jane Fletcher was duly nominated, seconded and appointed as Vice-Chair of the Corporation, term of office 29 October 2024 to 28 October 2027.

STRATEGIC

Steve Wood joined the meeting.

EXTERNAL BOARD REVIEW OUTCOMES REPORT

C/24/012 This is a confidential item for Corporation Members only, under section 41 of the Freedom of Information Act. Paragraphs C/24/013 to C/24/19 are, therefore, minuted separately.

PRINCIPAL'S STRATEGIC OVERVIEW

C/24/020 The Principal referred members to paper LMC/C/03/24 and advised that there had been much activity in relation to Government policies, with some being pushed through to an extent. Governors should be mindful of the direction of travel and some will impact the Further Education sector, e.g. the introduction of Skills England (the Institute for Apprenticeships and Technical Education (IfATE) will be subsumed into this) and what this will look like moving forward.

- C/24/021 The Government has a 'to do' list and there will be more forward policy and legislation to come. Some detail may emerge in the Budget, e.g. apprenticeship levy and reform. There will also be the outcomes of the rapid review into the defunding of some Level 3 qualifications and how that will impact the College offer. There is a link to an article by the new Skills Minister, Jacqui Smith, who has advised that the Government is in 'listening mode' as it is recognised that T Levels will not be the only Level 3 qualification for everything.
- C/24/022 There are some big but straightforward 'asks' from the sector; funding for pay increases, removal of VAT and in-year 16-18 growth funding. These 'asks' come from a national position, affecting all colleges with many reporting substantial increases in learner numbers. The early impressions of the new Secretary of State for Education, however, was that the focus was all on schools, which was a worry as colleges have all the same issues. This has started to change with the appointment of Jacqui Smith, who is starting to influence the direction of travel by steering the conversations into Further Education and technical education. This has provided some reassurance that policy will not solely focus on schools, but actions to support the rhetoric have yet to materialise. The schools' pay settlement was significant, but the Further Education sector does not have a national body for pay, and has been lobbying for some time for some parity with schools around pay, particularly as colleges are now within the public sector.
- C/24/023 There is a local Principal on the national panel for the Curriculum and Assessment Review, who can provide good insight and have a leading voice. There has been an early call for information and evidence base, but the review is only just getting organised. The information requests covered curriculum and assessment across all angles of education, which was a big ask, so it will be a 'wait and see' position. The College will input into a collective response from the Association of Colleges (AoC) and The Lancashire Colleges (TLC), as well as potentially submitting its own independent response. Comment will be included around the unnecessary caveats to the additional funding for the increase in English and maths hours, funding tolerance levels and negotiations around the GCSE resit policy being changed in some form.
- C/24/024 The Board will need to start to consider its position on a pay award. The Association of Colleges (AoC)'s recommendation is 2.5% across the sector, subject to affordability for individual colleges. Should the Government provided any additional funding for the sector, the Association of Colleges (AoC) will return to negotiations with the unions. The significant pay award of 5.5% for schools was unhelpful for the sector.
- C/24/025 The dashboard included in the report is a 'taster' of what the College's dashboard may look like, and has been included to ensure that this is similar to what Governors expected. There have been other critical priorities that the data team has had to work on first, e.g. updates to the student progress monitoring systems, which has delayed the production of the dashboard.

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

- C/24/026 The suggestion that there may be an increase in employers' National Insurance contributions may have an impact on the affordability of a pay award. The Vice Principal Finance and Resources confirmed that an increase in employers' National Insurance contributions had not been factored into the College's budget and, any increase effective from April 2025, would increase costs within this budget.

- C/24/027 There is likely to be a 7% increase in the National Minimum Wage (NMW) and an 18% increase in apprenticeship pay. The College has over-recruited against its 16-18 allocation, so there is potential for in-year growth funding, but has under-recruited against its T Level allocation, which will result in an in-year clawback.
- C/24/028 The shorter and longer term impact of any announcements will need to be reviewed. Any increases may lead to people forcibly being paid more, but employers unable to afford the additional costs and, therefore, not employing as many staff. Relevant cutbacks could impact the skills sector, with emerging skills gaps in the future and colleges may see an influx of adult learners needing to retrain. Learners may also not be able to enter the employment market, as employers may not be able to afford an increase in workforce. The other concern is that colleges, themselves, have more vacancies for skilled opportunities, as teacher may leave for better pay within their own industry and colleges are left short of teachers. This scenario could significantly change a college's curriculum offer. The team will undertake analysis on any financial and curriculum impact, but the changes will be driven by the funding model. Although there has been speculation about three to five year funding settlements, these have not yet materialised. The College continues to operate with as much future insight as possible, whilst still addressing immediate priorities.
- C/24/029 All Governors need to take an interest in any Budget announcements as there is potentially a number of things that could change. Governors will need to take stock financially and assess any implications for the College's own budget.
- C/24/030 There is some understanding that the Government will want to focus tackling youth violence, absenteeism etc., agendas that the College can support. The Association of Colleges (AoC) was setting out an agenda on how colleges can provide solutions and support delivery of the Government's missions, including the 'Safer Streets' mission. At LMC, there are current activities which support all of the Government's missions, e.g. sustainability, persistent absence rates and the Not in Education, Employment or Training (NEET) project. The College is a member of the local Designated Safeguarding Leads (DSL) group, which has set up a sub-group to support absenteeism in schools. There was also the potential investment into youth hubs etc. The Vice Principal Progress and Performance advised that the work that the College is already doing around safeguarding and with external agencies for those Not in Education, Employment or Training (NEET) has already been recognised as best practice. The College has close links with Lancaster City Council and this work with feed into the Association of Colleges (AoC) to help push on Government policy.
- C/24/031 The senior team were reminded that any measures within the dashboard should include figures and percentages and match the criteria. In the example, for instance, stakeholder satisfaction is as a percentage of target, but the measure given is not a percentage. There also needed to be consistency if using graphs. The data will be derived from the College's main EBS data system, which Governors will not have entry to as this provides access to individual student data. The data will be removed from the main reports into a PDF version, with narrative. The Vice Principal Progress and Performance advised that most of the data is linked to the information generated from the Individual Learner Return (ILR) funding submission on the fourth of each month, so the timing of the data snapshots will be linked to these returns. Learner numbers, retention, achievement, attendance and safeguarding all change monthly, but some elements, including progress reporting, are collated slightly differently.

C/24/032 Overall, Governors welcomed the draft dashboard in principle, and could see the links through to the College's strategic aims. Jane Taylor offered to assist with the final design and measures for the dashboard. Although it would be helpful to have all the data in a dashboard, Governors were keen to ensure that narrative and context were not lost. The dashboard should enable more streamlined and accessible reporting of data, but with narrative and context within the reports.

C/24/033 Ofsted is active in the region and preparations for a College inspection, including for Governors, was underway. Governors may have seen reports in the press about changes to the inspection framework and the removal of single word judgements, but this will not affect colleges in 2024/25. The changes have been very much focused on the schools sector first as Ofsted develops a balanced scorecard model. Although there has not been any consultation discussions, it is anticipated that proposed changes will go out to consultation and then have the 'ripple' effect into the Further Education sector. A link to the current inspection handbook was included in the report, with the main changes being around the welfare and wellbeing of those being inspected, alongside changes in evidence gathering for personal development and attitudes.

C/24/034 The Corporation received and discussed the Principal's Strategic Overview, paper LMC/C/03/24.

ACTION: *Senior team to invite relevant Governors to assist in designing the Governor dashboard and reporting measures.*

PERFORMANCE

PROGRESS AND PERFORMANCE REPORT

C/24/035 The Vice Principal Progress and Performance referred members to paper LMC/C/04/24 and advised that early achievement data for 2023/24 has been finalised and key findings are listed in the Executive Summary. Adult achievement rates have improved. 16-18 classroom-based achievement rates have decreased slightly, but there was a significant increase in learner numbers, the rates were at a high starting point with the previous year's achievement being substantially above national averages and still remain above national averages. Apprenticeship achievement rates have improved, but not as much as the team would have wished and are below the national average. GCSE English pass rates are 13% above the national average for 16-18 and 12% above for adults. There is year-on-year improvement for 16-18 learners and progress is positive. There will be a more detailed analysis within then end-of-year reports due in December 2024. The lower attendance rates for 16-18 female learners were reflected in the achievement data, with males outperforming females, but it is the opposite case for adults. The College understands both the key strengths and the issues, and there will be areas for development. The College has again seen significant growth in learner numbers for 2024/25, with a 14% increase in 16-18 learners on the previous year. Since 2021/22, this equates to a 30% overall increase. Year 11 learner numbers this year, which would be for entry in 2025/26, are slightly lower, so some growth will be expected next year as well. A full analysis of 2024/25 enrolments is due to be presented at the next meeting. One key concern is the challenge in staff recruitment for Learning Support (adverts are running), as well as significant existing staffing issues, mainly related to ill health. This has meant that not all learners are receiving the full support that they need. The team is doing everything it can, including changes to some staff contracts, but it is a significant challenge.

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

- C/24/036 It was suggested that the difference in achievement and attendance rates for 16-18 males and females may be related to the pathways being studied and, potentially, whether those male-oriented pathways have seen a bigger increase in numbers. This is not necessarily the case, although there is much more analysis to be completed. What is clear is that 16-18 classroom-based male learners attend and achieve better than their female counterparts. Early indications on the data are promising and, although overall rates may have declined slightly, they remain above national averages. The exception is apprenticeships, but there is a lot of narrative and context for this.
- C/24/037 The significant increase in learner numbers has impacted on all resources of the College, including learner support, safeguarding and facilities and Governors questioned whether any additional support from the Board was required. In regard to Learning Support, the vast majority of staff were previously on casual contracts, and these have had to be changed to contracted prior to being able to advertise for contracted staff. This was welcomed by staff as it provided a better contract than previously. Some Learning Support staff also moved into teaching roles over the summer, which is positive progression for those staff but left vacancies to fill. There are also some ill health issues, with two key members of the team being off sick. The Head of Learning Support will be interviewing for permanent external recruitment and, hopefully, the issues will have resolved within the next few weeks. A 0.5 post is being advertised for the safeguarding and pastoral team. The College is working with all managers, including support managers, in regard to capacity in staff teams, workload and wellbeing.
- C/24/038 The senior team had to resolve some root cause issues, before being able to move recruitment forward in the right way, which took some time to complete. The Principal noted that the Vice Principal Progress and Performance and the learning support team have coped admirably with the significant resource challenges. The team will start to rebuild in a focused way, before pausing and reviewing for impact. There is headway being made with some of the key issues and senior leader support is being provided to the head of this team. There will be smaller issues to resolve, but these will be handled in due course.
- C/24/039 The detailed analysis into 16-18 achievement rates will include analysis for support learners, including by Free School Meals (FSM), lower socio-economic background, Equality, Diversity and Inclusion protected characteristics and learning support etc. Early headlines show that females are less likely to achieve, but learners with an Education, Health and Care Plan (EHCP) are more likely to achieve. Some colleges have tried to capture data on soft skill attributes through analysis of students and surveys, to emulate those skills held by successful learners and whether these can be incorporated into induction and study programmes to raise the profile of all learners, focusing on the attainment of required soft skills and then the qualification. The College does undertake skills scans at the start of each programme to use as starting points, with progress then being monitored against both academic and skills progress. The soft skills are not necessarily linked directly to a learner's course. An attainment and skills review, based on the characteristics of a 'successful' learner is not explicitly completed. There is a wide range of learner development of soft skills, mainly linked to tutorials, including safeguarding and Prevent, knife crime, consent, confidence, communication and coercive control etc.

C/24/040 The context for apprenticeship achievement rates is complex and includes some data legacy issues. Apprenticeships will be an area of challenge in the forthcoming inspection, but the relevant section of the Self-Assessment Report (SAR) will clearly document the strengths and weaknesses, underpinning narrative and actions. Work over the coming months will help Governors to further understand the updated position.

C/24/041 The GCSE pass rates includes all exams, including resits, taken during 2023/24 academic year, either in November 2023 or June 2024. The dip in all GCSE pass rates in 2023 were most likely relate to the change in grade boundaries, which were reset to pre-pandemic boundary levels.

C/24/042 The Corporation received and discussed the Progress and Performance Report, paper LMC/C/04/24.

ANALYSIS OF STAKEHOLDER FEEDBACK 2023/24

C/24/043 The Vice Principal Progress and Performance referred members to paper LMC/C/05/24 and advised that the report combines feedback from a number of stakeholder groups. The senior team has discussed stakeholder feedback in general, which is not yet at the desired levels, and how to continue to make improvements to gain further feedback from all stakeholder groups.

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

C/24/044 Governors welcomed the inclusion of some of the more negative comments, which have not previously been included, as this provided a much more balanced perspective. This was a very clear and open approach by the team, which enabled Governors to know the areas for improvements and the actions being taken to address those.

C/24/045 Some of the standout figures were the 100% positive responses to some of the employer onboarding survey questions, so there were clearly some positives.

C/24/046 The Corporation received and discussed the Analysis of Stakeholder Feedback 2023/24, paper LMC/C/05/24.

CORPORATE SERVICES REPORT

C/24/047 The Vice Principal Finance and Resources referred members to paper LMC/C/06/24 and advised that the report was very factual and self-explanatory and questions on the report would be welcomed.

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

C/24/048 There have not been any recent complaints about the College's Wi-Fi network following the new installation over the summer. The Academic Staff Governor, however, did note that the Wi-Fi was not always working in the Hex, despite the system having been tested and shown as working across the whole site. The Vice Principal Finance and Resources did advise that there is a known issue when using mobile phone data in the Hex, due to the copper roof. Additional posters with instructions on how to use the Wi-Fi or with QR codes could also be provided, although these are already posted in the Hex.

C/24/049 The Corporation received and discussed the Corporate Services Report, paper LMC/C/06/24.

LATEST MANAGEMENT ACCOUNTS AND FUNDING KEY PERFORMANCE INDICATORS

- C/24/050 The Vice Principal Finance and Resources referred members to paper LMC/C/07/24 and advised that the July 2024 accounts are effectively the year-end accounts for 2023/24. The auditors from RSM are currently undertaking the audit and there has not been an indication of any adjustments. to date. The final deficit stood at £466k, which was £98k better than budget, which was a pleasing outcome. Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) was £215k, which equates to 2% and should secure a good financial health grade. The Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) score is not as important as it used to be, as colleges are no longer automatically places into intervention if graded as requires improvement. There is a strong balance sheet, with £2.6m cash reserves at the year-end. This figure is slightly misleading, however, as £852k relates to money paid in advance of the capital projects.
- C/24/051 There is a breakdown of all major income lines and variations within the commentary. In terms of income, the College was significantly over budget on 16-18 funding due to the two additional increase in -year. The first was a rate allocation increase given early in the year to allow colleges to match the pay award given to the school sector, and the College did use this for the staff pay award. The second was an additional £454k in-year growth funding to support the strong 16-18 recruitment. There was also extra income for the previous year's increase as well, meaning 16-18 income ended £911k ahead of budget. Adult skills income was relatively close to budget, being only £42k below budget, which is a positive result. The College had forecasted to be below income for apprenticeships, which came in at £1.57m and £328k under budget.
- C/24/052 Staff costs were £619k over budget, mainly due to the planned decision to implement a 6.5% pay award in view of the rate increase and growth funding received. The increases to National Minimum Wage (NMW) and Teachers' Pension Scheme (TPS) employer contributions will also have impacted. Non-pay costs were £804k over budget and some of the reasons are detailed within the commentary. Project budgets did cover some of the additional expenditure. Overall, the deficit was better than budget and should secure good financial health, which is a positive outcome for the College.

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

- C/24/053 In terms of Higher Education income, the College did under-recruit against the original budget, mainly due to a number of planned courses with EDF not running, or were run in a different format that attracted a lower funding rate, plus some under-recruitment on College courses, particularly in Engineering. There has been a more prudent approach taken in this year's budget, reducing forecasted income from £300k to nearer £100k.
- C/24/054 The Higher Education aspect of the College's provision does present a challenge, in that the College needs to be geared up to run Higher Education courses and to have staff qualified to teach at that level. As much as the College would like to see growth in this area, it is challenge from a staffing perspective and there will be a level of investment needed. If the College no longer offers Higher Education courses, it would not support the aspiration and progression pathways for learners, with not everybody wanting to attend university. Higher Education was looked at as part of the curriculum review and the College offer does need to be balanced with financial viability.

C/24/055 The College does have cash deposits and, from the cashflow forecast, some of these may be required in the near future. There is £1m on a Santander 365-day notice account and the Vice Principal Finance and Resources effectively gave notice last year and these funds should come back into the main account at the end of February 2025. Until these funds are released, the month-end balances will be closely monitored, as well as reviewing capital expenditure to ensure that the College does not over-commit in the short term. The funds with Lloyds were already on notice and have now been transferred back to the main account.

C/24/056 The Corporation received and discussed the Latest Management Accounts and Funding Key Performance Indicators, paper LMC/C/07/24.

STATUTORY RESPONSIBILITIES

DRAFT MINUTES AND PAPERS OF THE SEARCH COMMITTEE MEETING HELD ON 15 OCTOBER 2024

C/24/057 The Chair of the Committee, Hilary Fordham, reported on the meeting held on 15 October 2024, fully detailed and explained in the draft minutes, paper LMC/S/07/24. It was a good meeting, with strong discussion around Governor appointments and succession planning, all of which was detailed within the minutes. The policy was being recommended for approval.

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

C/24/058 It was noted that parts of the Committee's discussion did reflect some of the outcomes from the External Board Review report.

C/24/059 The Corporation received and discussed the Search Committee minutes and papers and approved the Governor Succession Planning and Training Policy, paper LMC/S/06/24.

REVIEW OF FINANCIAL REGULATIONS 2024/25

C/24/060 The Vice Principal Finance and Resources referred members to paper LMC/C/08/24 and advised that all of the changes are highlighted in red within the document, with an outline of the changes provided in the Executive Summary. Reference has been made to the Managing Public Money (MPM) regulations, which apply to the public sector. Although there has been little impact to date, there is still potential for significant impact in the future. Following last year's review, there was also a change to authorisation limits to reflect that staff on probation must obtain a second authorised signature for spend over £2k.

C/24/061 The main change concerns the Treasury Management Policy, and the current requirement to have no more than 50% cash holding in any one bank account. This rule was introduced when the College had £8m to £10m in cash reserves. With cash balances now fluctuating between £1m to £2m, it has become an impractical requirement and Governors will have been aware that the College has been unable to maintain that in recent times. The rule does not add any value or additional protection to the College, as if one of the major banks failed, then the whole banking system would be in chaos and the Government would have to intervene. With all the capital works, it has been difficult to work with that requirement on a monthly basis. The Vice Principal Finance and Resources has also consulted with the external auditors. It was quite unusual in the sector to have more than one bank and this is not generally seen at other colleges, so the auditors were quite comfortable with the proposed change.

C/24/062 Reference has also been made to the new Public Procurement Act and revised thresholds, which come into force from February 2025 and which could potentially impact on the College. The new Head of Finance has been trained on the new rules and what it means for future procurement. There were also minor changes to job titles etc.

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

C/24/063 There is a level of accessible cash required and the management of cashflow against investments was quite exceptional. It would be considered sensible to change the reserves policy to 30 days cash in hand, rather than a flat percentage to ensure liquidity.

C/24/064 There would be no advantage in terms of interest received as the College always opts for the best rate at the time, rather than a focus on diversification of funds, and the policy should not prevent the College from using more than one bank should a particular attractive rate become available. The point raised around liquidity and cash days was sensible. The Vice Principal Finance and Resources highlighted that the College will only use banks with an A+ rating, so will be more limited to the major high street banks. The Chair of the Audit and Risk Assurance Committee was pleased to see the advice of the auditors had been sought, and the changes proposed were a sensible course of action.

C/24/065 The Corporation discussed and approved the Review of Financial Regulations 2024/25, paper LMC/C/08/24.

REVIEW OF STANDING ORDERS OF THE CORPORATION AND ITS COMMITTEES, INCLUDING GOVERNORS' CODE OF CONDUCT

C/24/066 The Governance Adviser referred members to paper LMC/C/09/24 and advised that all proposed changes are highlighted in red. Committee membership is proposed to increase to five members per Committee for 2024/25, with all external members being required to sit on a Committee. The most significant change is the proposed recommendation from the Search Committee to form a combined Governance, Remuneration and Search Committee. There are some additional minor changes to strengthen processes around attendance and support for Committee chairs.

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

C/24/067 It was suggested that the review of Standing Orders be moved to every three years, similar to other governance policies, unless there were any significant or legislative changes.

C/24/068 The Corporation discussed and approved the Review of Standing Orders of the Corporation and its Committees, including Governors' Code of Conduct, paper LMC/C/09/24, and to change the review schedule to every three years unless there were significant or legislative changes.

CONSENT

ITEMS FOR APPROVAL

C/24/069 The Chair of the Corporation informed members that this was a new 'consent' section on the agenda, where items would be approved 'en bloc', without any formal presentation or discussion. Following receipt of the information packs, any Governor could request in advance that an item to be moved from the consent agenda into the main discussion agenda, if needed.

C/24/070 The Corporation approved:

- **Admissions Policy, including Admissions Appeal Policy** (Paper LMC/C/10/24)
- **Health and Safety Policy** (Paper LMC/C/11/24)
- **Safeguarding Policy** (Paper LMC/C/12/24)
- **Maths and English Strategy** (Paper LMC/C/13/24)
- **Annual Report on Governance 2023/24** (Paper LMC/C/14/24)
- **Review of Confidential Items 2023/24** (Paper LMC/C/15/24)

ITEMS FOR RECEIPT

C/24/071 The Chair of Corporation informed members that these items were provided as formal notification only.

C/24/072 The Corporation received:

- **Confidential for Corporation Members Only, under Section 41 of the Freedom of Information Act: Annual Strategic Conversation Outcomes Letter** (Paper LMC/C/16/24)
- **Annual Report 2023/24 of the Search Committee** (Paper LMC/S/03/24)
- **The Lancashire Colleges Consortium Ltd Annual Report and Financial Statements** (Paper LMC/C/17/24)

INFORMATION

ANY OTHER BUSINESS

C/24/073 The Chair of Corporation advised that, going forward, members will be asked to provide verbal feedback on any link visits or events attended and this will become a standing item on future agendas.

C/24/074 The Principal reminded Governors that he was taking part in the 'Jail and Bail' event on Wednesday 30 October, to help raise funds for St John's Hospice and all donations would be grateful received.

ACTION: Governance Adviser to add new agenda item, Governor Link / Events Feedback to all future agendas.

DATES OF NEXT MEETINGS

C/24/075 Tuesday 19 November 2024 at 5.30pm
Tuesday 03 December 2024 at 5.30pm

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

APPROVED BY FULL BOARD ON: 19 November 2024