

## MINUTES

*Corporation No 137*

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Date: *12/12/2017 (Tuesday)* Time: *18:00–20:00*

Venue: *Bowland Suite* Committee: *Corporation*

Notes: *Refreshments will be available from 5.30pm*

Present: *Allan Foster (Vice Chairman), Ann Turner (Principal), Clare Platt, David Hall, Garry Payne, Gerry Corless, Ian Higginbotham, Jane Booker, Julie Hughes, Richard Furnival, Sian Oliver and Stuart Heys (Chairman)*

Attending: *Alison Robinson (Vice Principal) and John Wherry (Deputy Principal)*

Clerks: *Ron Matthews (Clerk) and Susan Whiteside (Deputy Clerk)*

Apologies: *Adrian Boreham, Ian Douglass, Richard Hughes, Sarah Burdaky and Sydney Barwick*

### **Public Minutes**

Item number: Item description:

**136.17** *Attendance of Members of Management*  
*Decision*

Standing Order 13 states that:

As a matter of policy all meetings of the Corporation and its Committees will be held in private. The agendas and minutes and supporting papers of its public business will be made available to the general public.

However:

(a) The Principal shall be authorised to invite members of staff to attend in their employed capacity for both public and confidential business as appropriate and in accordance with Standing Order 25.

(b) The Corporation however, may exclude members of staff from attending any business that it deems necessary.

(c) Attendance by other persons shall be at the discretion of the Corporation following advice from the Principal or Clerk.

Members welcomed Richard Morris to the meeting. Richard would be taking up his position as Deputy Principal Finance & Corporate Services in January 2018.

**Resolved:**

**That Management attend the meeting for the public and confidential agenda items.**

**137.17** *Apologies for Absence*  
*Record*

Apologies for absence were received from Adrian Boreham, Sydney Barwick and Richard Hughes

**138.17** *Public Minutes of Previous Meeting*  
*Decision*

The public minutes of meeting number 136 held on Tuesday 24 October 2017, published on the extranet, were signed and agreed as a true and correct record of the meeting.

**139.17** *Declarations of Interest*  
*Record*

There were no declarations of interests made in respect of items on the public agenda.

**140.17** *Chair's Opening Remarks*  
*Information*

The recent Ofsted inspection of Residential Accommodation had recently taken place. Members reflected on the process, discussions and verbal feedback which remained confidential until the official report was received.

**141.17** *Correspondence*  
*Information*

A letter had been received from Peter Lauener, Chief Executive and Accounting Officer of the ESFA who was due to retire from the post.

The letter addressed the role of Chief Executives / Principals as Chief Accounting Officer in setting the standards for good financial management and governance throughout colleges.

The three key questions:

- a. Can you demonstrate that the college's funds have been spent on the purposes for which they were awarded?
- b. Are you satisfied that appropriate standards of conduct have been applied to all spending decisions and that conflicts of interest have been handled appropriately?

- c. Has the college managed its resources efficiently and achieved value for money?

The letter went on to present eight questions that reflect the high risk areas identified through recent intervention work with colleges where standards had fallen short.

- a. **Governance and financial oversight:** Does the board of governors have the skills, experience and knowledge to provide both support and challenge to the senior team?
- b. **Forecasting:** Is there sufficient realism in assumptions and forecasts when developing financial plans and setting budgets, and are these reassessed regularly
- c. **Management accounts and KPIs:** Are suitable management accounts being produced on a timely basis?
- d. **Financial records:** Are adequate underlying records being maintained to demonstrate the regularity and propriety of spending decisions?
- e. **Internal controls:** Do you have effective internal controls, which ensure that spending is kept in check?
- f. **Cash management:** Is cash flow forecasting and monitoring operating effectively, and on a rolling basis?
- g. **Bank covenants:** Are loan commitments being monitored thoroughly, for example to avoid breaches of covenants
- h. **Commercial activities:** Are the risks of entering into commercial activities being carefully assessed?

Members gave consideration to the content of the letter.

**Resolved:**

**That the correspondence be received**

**142.17** *Report of Myerscough Student Union*  
*Information*

Corporation gave consideration to the report regarding the Myerscough Students Union for the Autumn Term together with its timetable for 2018. The report provided an overview of the various activities that had taken place along with some reflection on uptake and feedback and impact on future planning.

The North West Air Ambulance had been named as the MSU's chosen charity for the year.

**Resolved:**

**That the Myerscough Student Union Report be received.**

**143.17** *Governor Engagement Strategy*  
*Information*

Events on the Governor Engagement Programme were regularly promoted to Corporation. Feedback from both staff and Governors was positive. Members gave reports on their recent engagement with a wide range of College activities.

**Resolved:**

**That Corporation noted the Governor Engagement programme.**

**144.17** *Myerscough College - Key Strategic Risks*  
*Information*

Corporation gave consideration to the College's highest level Key Strategic Risks.

The severity of each risk was calculated through considering its likelihood and impact using a five point scale with 5 being highest. The 2 scores multiplied gave the inherent risk factor. Each risk was then analysed further and strategies devised and acted on to manage it. Using the same methodology of scoring a residual score was reached.

<b>Risk</b>	<b>Inherent Risk</b>	<b>Residual Risk</b>
Inability to Recruit of key personnel	25	16
Failure to maintain increase funding from HE activities	20	12
Loss of Key staff	20	12
Failure to contain rising costs of employment	20	16
Failure to maintain / increase – ESFA Allocation	16	9
Inadequate site security	16	9
Environmental Damage	16	12
Inadequate buildings maintenance.	16	12
Recruitment and transition of new Senior team	16	9
Technological (IT) Failure / Loss of data	15	12
Economic environment for farming – significant losses on the farm	15	10
Severe business disruption	15	12

Corporation welcomed the report and attached importance in it being brought to their attention at each Board meeting. Corporation noted the commentary on the management of each risk.

**Resolved:**

**That the report on the highest strategic risks be received.**

**145.17** *Financial Statements Auditors Report and Financial Statements for the Year Ended 31 July 2017 and External Auditors Findings Report*  
*Decision*

The Audit & Governance and the Finance & Resources Committees had considered the *Financial Statements Auditors Report and Financial Statements for the Year Ended 31 July 2017 and External Auditors Findings Report for the Year Ended 31 July 2017* and recommended them to the Corporation for approval.

Corporation noted the accounts, presented a sound financial position and that Finance & Resources Committee had not considered it necessary for attendance from the external auditor at the Corporation meeting, as the Committee had been satisfied with full explanations and responses to

questions.

It was confirmed to Corporation that no adjustments to the final pre audit management accounts were required and the accounts gave strong assurance of the strength of the College's financial processes with no recommendations for action to be included in the audit findings report.

Corporation noted that the auditors had commented on a smooth process with exceptional advance preparation of documentation, and that the Finance team, notably Janet Whiteside should be congratulated on this.

**Resolved:**

1. **That the external audit findings report for the year ended 31 July 2017 be approved.**
2. **That the draft letter of representation (financial statements) be approved.**
3. **That the draft letter of representation (regularity) be approved.**
4. **That the Auditors opinions in respect of the Financial Statements Audit and Regularity Audit for 2016 / 2017 be approved.**
5. **That the Audited Annual Accounts with Members Report for the year ended 31 July 2017 be approved.**
6. **That the accounts be forwarded to the ESFA prior to 31/12/2017.**

**146.17**  
*Decision*

***Draft Annual Report of the Audit and Governance Committee to the Chief Executive Officer and the Corporation for the Year ended 31 July 2017***

The report was considered at the last meeting of the Audit and Governance Committee who commended it to Corporation for approval.

Corporation endorsed the Audit & Governance Committee recommendation that the statement below be agreed and noted that the Committee had found no evidence of impropriety.

'The Audit & Governance Committee is of the view that it has operated effectively and fulfilled its obligations as identified in its Terms of Reference. It is also of the opinion that the College's audit arrangements, the internal control systems, value for money policy and procedures, financial controls, framework of governance, risk management and control are adequate, operating effectively and its processes secure economy, efficiency and effectiveness and can be relied upon.'

**Resolved:**

**That the Annual Report of the Audit & Governance Committee to the Chief Executive Officer and Corporation for the year ended 31 July 2017 be approved and signed by the Chair of the Audit & Governance Committee and submitted to the Education and Skills Funding Agency.**

**147.17**  
*Decision*

***Myerscough College Self-Assessment Report 2017***

The self-assessment report (SAR) is an integral and fundamental part of the College Quality Improvement Cycle. The SAR informs College policy and strategic planning through Quality Improvement Plans (QIPs) at varying levels from subject courses, support areas through to leadership and management. The process allows the College to critique its own performance and provision, analyse activities and apply different approaches to either foreseeing challenges or identifying ways of resolving them which is essential if an organisation wishes to maintain the momentum required for continuous improvement.

An event for Corporation had been held on Tuesday 28 November where Governors had concentrated on a detailed assessment of the College SAR. Suggestions made at the meeting had been incorporated into the final document.

The College had maintained its self assessment of Grade 2.

Feedback from the recent Health & Social Care Ofsted inspection had been taken into consideration for the final draft and had been incorporated into the SAR action plan.

**Resolved:**

**That the College Self-Assessment Report for 2016 / 2017 be approved and submitted to the relevant authorities.**

**148.17**  
*Decision*

***Report of the Audit and Governance Committee of 7 November 2017***

Corporation gave consideration to the report from the Audit & Governance Committee meeting held on 7 November 2017 which contained a matter for Corporation approval.

**Annual Risk Management Report and the Full Risk Register 2016 / 2017**

The risk management plan is a 'live' document and regular review, reassessment and reporting ensures that College management are 'risk aware' and the process is fully embedded within the College structure. It has enabled Corporation to provide adequate assurance that, along with the Internal Audit Annual Report, the College has a sound system of internal control.

The full risk register was reviewed at Audit & Governance Committee and throughout the year individual committees received reports on the risks relating to their area of operation.

**Resolved:**

**That the Annual Risk Management Report and the Full Risk Register 2016 / 2017 be approved.**

### **Appointment of Chair and Vice Chair of the Committee for 2016 / 2017**

Audit & Governance Committee had re-appointed Gerry Corless as Chair of the Committee and Garry Payne as Vice Chair for the ensuing twelve months.

### **External Audit Engagement Letter**

The letter had been signed by the Chair of Corporation. It outlined the terms and basis on which RSM would undertake the audit.

### **Financial Statements Auditors Report for the Year Ending 31 July 2017 and External Auditors Findings Report to the Audit & Governance and the Finance & Resources Committees.**

Audit & Governance had considered the draft documents and made recommendations for Corporation approval.

Corporation had considered the final documents earlier in the meeting, minute 150.17 refers with Corporation concurring with Committee recommendations and approving the documents, together with the letters of representation and Auditors opinions and regularity conclusion as submitted.

### **Internal Audit Reports**

The Committee had given consideration to two Internal Audit reports. Recommendations were graded according to their level of importance with Grade 1 being of high importance, 2 of medium importance and 3 of low importance.

The first report covered Disaster Recovery and Contingency Planning and focussed on systems and processes to ensure continuity of service in various levels of a disaster scenario including the planning and testing of procedures. The report found that overall the process was well designed. There were five recommendations at level 3, of low importance, related, in the main, to document management and testing.

The second audit concerned a review of the actions recommended during the year. Of the 15 recommendations made 14 had been implemented and the one outstanding was in the process of completion at the time of the audit.

Corporation noted that the Committee had agreed the reports and management actions.

### **Internal Audit Progress Report and Summary Report Update.**

Audit & Governance Committee had expressed satisfaction with progress to date on the recommendations.

### **Student Union Constitution and Terms of Reference**

Audit & Governance Committee had given consideration to the Student Union Constitution and Terms of Reference and found the document presented to be fit for purpose.

### **Annual Report of the Audit & Governance Committee to the Principal/Chief**

### **Executive and Corporation for the Year Ended 31 July 2017**

The document had been considered earlier in the meeting, and Corporation concurred with the Audit & Governance Committee recommendation and approved the final document as submitted, minute 151.17 refers.

The Committee had reviewed its terms of reference, which were included as part of its Annual Report and concluded that they remained fit for purpose.

### **Data Returns Report**

All returns for 2016 / 2017 had been submitted according to criteria as had the first returns of 2017 / 2018

### **Governance Quality Improvement Plan**

Governance was graded 2, 'Good' and actions had been incorporated into the Governance Quality Improvement Plan which would be monitored throughout the year.

### **Skills Audit 2017**

The Skills Audit was underway. It aided identification of the overall make-up of the Board and supported decision making in recruitment to the Board.

### **Corporation Vacancies**

There was a vacancy on the Board and vacancies for Co-opted Committee members on all Committees. Since the meeting three applicants had attended for interview; reported on later in the meeting.

### **Annual Review of Decision Making Processes of the Corporation**

Corporation noted that Audit & Governance Committee had agreed documents remained fit for purpose.

In accordance with the Code of Good Governance the Terms of Reference of individual Committees were being reviewed at the relevant meetings.

### **Governor Training**

Governor time over the past twelve months had been taken up with additional meetings and training sessions to support the Area Review process, and the senior post holder appointments.

Corporation noted that opportunities for training prior to meetings would be considered in the new year as would the scheduling of workshops for major strategic issues.

### **Resolved:**

**That the above matters be received.**

**149.17**  
*Decision*

### ***Report of the Quality and Standards Committee of 14 November 2017***

Corporation gave consideration to the Quality and Standards Committee Report from the meeting held on 14 November 2017.

### **Appointment of Chair and Vice Chair**

Allan Foster was re-appointed as Chair for the ensuing twelve months and Julie Hughes as Vice Chair.

Quality & Standards Committee had requested that Governor, Jane Booker who was the Safeguarding and Equality, Diversity & Inclusion link Governor, and member of Audit & Governance Committee be added to its membership.

#### **Self Assessment Report (SAR) Validation**

Both the Chair of the Committee Allan Foster and the Vice Chair, Julie Hughes had commented favourably on the quality of the process following attendance at SAR Validation meetings.

#### **Performance Data 2017/2018**

The Committee had reviewed performance data as follows:

#### **Strategic Plan Progress Report 2017/2018.**

#### **In Year Performance Data: - FE - HE - Apprenticeship and Skills.**

**FE recruitment** had met the funding target and numbers were similar to last year. The Committee had discussed areas of lower recruitment. Members had noted the 14-16 offer, appreciated the information previously shared and expressed interest in further focus on this.

**HE recruitment** was slightly up on the previous year but remained a key concern due to the significant drop in the previous year. Nationally HE recruitment remained a challenge due to population demographics. There was considerable work being undertaken around recruitment and engaging with online students.

**Apprenticeship and Skills** There had been growth in the previous two years and this was set to continue for the current year. Actions to improve systems for timely processing of applications was a priority. Corporation noted legislation and changes as frameworks were being switched to standards with apprentices being required to take formal end point assessments.

**Teaching and Learning Report** Graded teaching learning and assessments observations had begun under a revised process which adopted a coaching technique to encourage further staff reflection and development.

#### **Draft Equality, Diversity and Inclusion Annual Report 2016/2017**

The report reflected on the work that had been undertaken to advance and promote equality, diversity and inclusion at the College over the year and would be published on the College website in January 2018. Corporation was assured that the College discharged its duties according to the legal framework.

The Committee had noted under representation of women on the Board.

#### **Curriculum Risk Register**

Members had noted the risks relevant to Quality & Standards Committee and actions taken to reduce the likelihood and impact. Corporation noted

the request to add the industrial action affecting public transport in Merseyside to the register.

**Terms of Reference for the Quality and Standards Committee**

Quality and Standards Committee had reviewed its terms of reference and concluded that they remained fit for purpose.

**Resolved:**

**That the report of the Quality & Standards Committee be received.**

**150.17**  
*Decision*

***Report of the Finance and Resources Committee of 21 November 2017***

Corporation gave consideration to the report of the Finance & Resources Committee.

**Financial Statements Auditors Report for the Year Ending 31 July 2017 and External Auditors Findings Report to the Audit & Governance and the Finance & Resources Committees.**

This was considered as a separate item earlier in the meeting.

**The Principals Strategic Plan Progress Report 2017/2018  
Financial Position Statement for Period Ended 31 October 2017  
Capital and Revenue Cash Flow for Period Ended 31 October 20167  
Capital Expenditure Report for Period Ended 31 October 2017  
Myerscough Ventures Report for Period Ended 31 October 2017**

The Committee was pleased to report that overall the finances of the College remained in a healthy state.

The bank balance was at £5.6m a current ratio of 1:1.18 and cash days of 68. Surplus equated to 7% of income.

FE recruitment was at funding level.

HE numbers were below target, though recruitment was slightly ahead of the previous year.

Myerscough Ventures contribution was ahead of target. The Committee had indicated close monitoring of the Farm performance and requested the Farm Action Plan be submitted to the next meeting of the Committee.

**Cash balances** remained strong with overall income expected to meet annual target.

**The Capital Plan** The profile and proposals showed affordability.

**College Financial Plan 2017 -2019 and Financial Health** The Financial Health grade was confirmed as 'Good'.

**Myerscough Student Union** Annual Accounts for the Year Ended 31 July 2017 indicated that the Association remained solvent.

**Statutory Risk Register** Risks relevant to Finance & Resources Committee had been considered. Members noted there was to be a full review of the

College short course offer.

#### **Human Resources**

The Committee had given consideration to the Human Resources statistics and expressed satisfaction with the management in this area.

#### **Health and Safety Report**

Accident statistics had not identified any particular concerns although it was noted that more accidents occurred at the Witton Campus and there was a low level of reporting at Croxteth. One RIDDOR reportable accident had occurred which did not require further investigation.

#### **Terms of Reference of the Finance and Resources Committee**

In line with all Committees the Finance and Resources Committee reviewed its terms of reference and found them fit for purpose.

#### **Resolved:**

**That the report be received.**

#### **151.17** *Decision*

#### ***Governor Recruitment***

Following a recent advertisement the Audit and Governance Committee had appointed a Governor Interview Panel to seek Governor recruitment from a number of applications received.

There was one vacancy for a four year membership to the Corporation and optional vacancies for up to two annual appointments for Co-opted members on Committees. Appointment as a co-opted Governor could be a route to full membership should vacancies occur, an opportunity to provide specific skills on Committees and a position which did not require as much commitment as full membership.

The Panel met on Tuesday 5 December 2017 to interview five candidates. One withdrew prior to the date and one was unable to attend.

Quality & Standards Committee had requested that Governor, Jane Booker who was the Safeguarding and Equality, Diversity & Inclusion link Governor, and member of Audit & Governance Committee be added to its membership.

Following consideration Corporation concurred with the panel's recommendations and the Quality & Standards committee request.

#### **Resolved:**

- 1. That Martin Smith be appointed a member of Corporation to serve on Finance & Resources Committee for a four year term commencing 1 January 2018.**
- 2. That Barbara Godby be appointed as a Co-opted Governor, for a one year term of office, to the Audit and Governance Committee commencing January 2018.**

3. **That the Panel seek available dates, in early January 2018, to interview the candidate who was unable to attend on the 5 December 2017.**
4. **That Jane Booker, link Governor for Safeguarding and Equality, Diversity & Inclusion be appointed a member of Quality & Standards Committee with immediate effect.**

**152.17**      ***Landex Annual Report 2017***  
*Information*

Corporation gave consideration to the Annual Report of Landex. Myerscough Principal & Chief Executive, Ann Turner was joint Chair of this UK membership organisation which comprised most of the designated specialist land based colleges and universities.

Landex through its membership and resources focuses on improving the quality of service delivered by all members to that of the very best in the sector by focussing on the 4 strategic priority themes of:

- Quality, Staff Development and Student Experience
- Leadership and Management
- Governance and Reputational Management
- Funding - Protecting and Enhancing through influencing

**Resolved:**

**That the Landex Annual Report 2017 be received.**

**Signed:**

**Date:**