

Minutes of a meeting of the Corporation held on Thursday, 9<sup>th</sup> December 2021 at 1730h by Microsoft Teams.

Present: Phil Jardine (In the Chair); Norma Boyes; Amie Calvin; Elaine Clinton; Peter Ellwood; Alison Hampson (Until Min No 97/21); Nigel Holliday; Chris Nattress; Denise Rollo; Tanya Weston (from 98/21); Stuart Williams; Elijah Bennett (Excepting Min No 96/21); Aaron Groggins; Michael Priestley (Chair. From Min no 96/21)

Apologies: Paul Hardon; Robert Milburn; Beth Wordsworth

Also present: Karen Wilson, Deputy Principal; Daniel Braithwaite, Assistant Principal, Jane Murray, Clerk;  
Min No 96/21: Karen Rae, External Auditor, Armstrong Watson

#### **93/21 Chair**

**Resolved** – that the Chair being unavoidably detained, that Phil Jardine, Vice Chair, chair the meeting.

#### **94/21 Minutes**

**Resolved** – that the minutes of the meeting held in open session on 18 November 2021 be approved and signed as a correct record.

#### **95/21 Declaration of Interests**

None received.

It was noted for the record that Elijah Bennett was under 18 and would not participate in any financial decision-making in line with the Instrument and Articles of Government.

#### **96/21 Annual Report and Accounts**

Denise Rollo presented the recommendations of the Audit Committee, of which she was a member, the Chair having presented apologies.

The draft minutes of the Audit Committee held on 22<sup>nd</sup> November 2021 were received and noted by the Board.

The Internal Auditors Annual Report, giving reasonable assurance (the highest grading they could give) was presented and noted by the Board. There had been seven internal audits in 2020-21, with six giving substantial assurance and one reasonable assurance.

Moving to the Letters of Representation in favour of Armstrong Watson, these were approved for signature by the Board, following some questioning in respect of wording, where it was noted for the record that there had been no instances of fraud in 2020-21 to bring to the auditor's attention.

The Audit Committee annual report was received and considered. It was noted that both internal and external auditors, and the Audit Committee itself, had performed as per expectations in 2020-21, with good co-operation and excellent attendance. As previously, both the Committee's work plan, and that of internal audit which had been approved by the Board, had been completed. In so far as the work which had been considered, the Audit Committee could give reasonable assurance that the college's internal control systems were effective. The Board were content to approve the Audit Committee's annual report for submission to the ESFA.

Moving to the External Auditors final management report, Karen Rae, presented her report which had been considered at length by the Audit Committee.

She was happy to say that testing that had been done, that the ESFA income was being used for the purposes intended, had shown that there were no major issues.

There had been no instances found of the manipulation of data when considering the management of controls and very few unadjusted errors.

She noted that, in respect of the recommendations that had been made, that management had accepted the recommendations.

Overall, she felt that the auditors had received the information they needed, there had been no significant difficulties and she was very happy to give a clean audit opinion and similarly for the regularity audit.

She was asked about going concern in light of the pension situation and, having explained that the pension liability was a sector-wide issue, and that it would only be realised if the college was to close. While the decision in respect of 'going concern' was one for the Board, she noted that 'going concern' was based on the Corporation's ability to meet its expenditure over a 12 month period and noted that there was a £2m cash balance at the year end.

It was noted by the Deputy Principal that currently, the College was not being asked to pay deficit payments.

*Karen Rae left the meeting*

*Michael Priestley joined the meeting*

Following the above discussion, and noting the recommendation of the Audit Committee, the Board agreed 'going concern' for Lakes College. They continued to consider the financial statements. The Deputy Principal noted

that it was pleasing that growth of £200,000 had been achieved. It was noted that 87% of income had been from funding body grants and that non-public funding had gone down, but not as badly as might have been expected in the pandemic. Staff costs, which were really the only area of the business over which there was any ability to adjust, were on a par with the sector. However, it was noted that there may a need to spend to achieve growth. There was little room for manoeuvre in non-pay costs which were in the region of £3.2m.

The various statements in the Annual Report and accounts were noted and approved for signature by the Chair and Principal (as accounting officer).

The Student Prize Fund Accounts, which had been a bequest to the College, were used to provide students with prizes and the accounts were received and noted.

The Value for Money report, which had been considered by the Audit Committee, was tabled for information to the Board, who had previously requested sight of the benchmarking information.

#### **Resolved –**

- 1) That the draft minutes of the Audit Committee held on 22 November 2021 be received and noted;
- 2) That the internal auditor's annual report 2020-21 be noted;
- 3) That the letters of representation (audit and regularity) in favour of Armstrong Watson be authorised for signature;
- 4) That the Audit Committee's Annual Report be received and noted, and approved for submission to the ESFA;
- 5) That the Board receives and notes the External Auditor's final management report;
- 6) That the Board approves the conclusion reached of 'going concern' for Lakes College;
- 7) That the Financial Statements 2020-21 be approved and authorised for signature by the Chair and Principal (as Accounting Officer);
- 8) That the Student Prize Fund Accounts be received and noted;
- 9) That the Value for Money reported be received and noted.

*Elijah Bennett rejoined discussion*

#### **97/21 Key Performance Indicators**

The Deputy Principal noted that 16-18 numbers were looking more positive than previously reported at 842 and therefore the impact on lagged learner funding would be less severe. Adult education budget was under contract, however remedial action was planned.

Apprenticeship starts were very strong and in-learning was also strong, however, some of that was attributable to the impact of last year when on-job training was curtailed. It was thought that recruitment of higher apprentices in

January would be between 60-70 for NCfN and possible that apprenticeship income could top £3m this year. HE learners were just shy of target currently, but anticipated to rise in January. Attendance is strong, although slightly below target. Maths and English attendance still challenging but significantly better than the previous year. Retention was also strong, but suggested that the critical period would be after Christmas.

It was felt that the industrial placements were showing a good start to the year and asked what the contributing factors were. It was felt that the sales team were doing a good job in building relationships and demystifying the process.

It was asked what more could be done to make the adult offer more attractive and felt that a review of the offer, and the possibility to tie the offer into the SDF project, reviewing what adults want, might improve the situation.

Asked how the 16-18 offer might be improved for next year, it was thought that T-Levels would become increasingly attractive and that there had been good interest on open day.

It was asked about high needs learners with an EHCP, and the demands were increasing – thought to be 125 this year. However, the funding had not changed, but nevertheless the support was put in place.

**Resolved** – that the KPIs be received and noted.

*Tanya Weston joined the meeting  
Alison Hampson left the meeting.*

## **98/21 Curriculum Update**

The Deputy Principal noted that some behavioural issues had arisen after half term, attributed to the lack of engagement and discipline during the pandemic. Some students were being offered support to improve their behaviour but disciplinary action could not be ruled out.

The whole college approach to maths and English was continuing under the new strategy, and while attendance and engagement continued to be challenging, the situation would continue to be monitored (including by governors).

It was felt that there had been a strong start to HE recruitment this year. Some areas of under-performance were being robustly challenged. It was asked about progress being made with industrial updating and assurance given it was under way. In discussing the HE forum, it was asked whether there was place for students on the forum and acknowledged that this was a good suggestion.

It was asked about quality improvement and felt that there was a good middle management team who were developing the provision and monitoring quality.

It was asked where there were sufficient staff in maths and English to cope with the workload, and acknowledged that it was challenging to get good maths teachers in particular and that there had been a period of staff sickness which had had an impact, but thought that there had been sufficient cover.

It was asked about the IP system and how it worked to enhance the quality of TLA. It was felt that it proved valuable in collating information and identifying themes which required to be addressed.

The Board noted the successes listed in the report and offered congratulations on the achievements. A Governor, who had attended a learning walk that afternoon, fed back how impressed he had been with the quality of work and the impressive facilities.

#### **98/21 Confidential Session and Minutes**

##### **Resolved –**

- 1) To move into confidential session;
- 2) That the minutes of the meeting held on 9<sup>th</sup> December 2021 in confidential session be approved and signed as a correct record.

#### **99/21 Finance Update - confidential**

The Deputy Principal updated the Board on the latest financial picture and project management.

#### **100/21 ESFA Meeting- confidential**

The Chair reported back on a private meeting with the ESFA and the FE Commissioner.

#### **101/21 Open Session**

**Resolved –** that the session to be re-opened

#### **102/21 Governance**

Expressions of interest in the Chair and Vice Chair positions had been requested twice during the year. The feedback which had been received, indicated that it was felt that both were doing a good job.

An internal audit of governance had given substantial assurance, with one low recommendation to increase the Governance attendance target from 75% to 80%, which the Board was happy to accept.

##### **Resolved –**

- 1) That Michael Priestly be re-appointed Chair from 01/02/2022 – 30/01/2024;
- 2) That Phil Jardine be re-appointed Chair from 07/02/2022-06/02/2024

3) That the collective attendance target for Governors be set at 80%.  
**The meeting closed at 1915h.**