

BOARD OF GOVERNORS

THURSDAY 8 DECEMBER 2011



GATESHEAD COLLEGE

Report: Minutes of the meeting held on Thursday 13
October 2011
Author: Clerk to the Corporation
Action: Approve
Status: Open

Present: Robin Mackie (in the Chair)
Susan Bickerton
Keith Cann Evans
Ivan Jepson
Aziz Kouame
Chris Macklin
David Mitchell
Alan Reynolds
Allan Steele
Mark Taylor
Richard Thorold

In attendance: John Holt
Jackie Doxford
Gwyneth Jones

1549 Welcome/Apologies

The Chair welcomed everyone to the meeting and introduced Aziz Kouame, 16-18 Student Governor, who was attending his first meeting of the Board. Apologies for absence were received from Catherine Donovan, Louise Ions, John McElroy, Kevin Fitzpatrick and Ian Renwick.

The Chair invited members to declare any interests on any item on the agenda. No interests were declared at this stage in the meeting; however, members noted that should the direction of debate on any item on the agenda result in a potential conflict of interest, this should be indicated during the meeting. Members were also reminded to advise the Clerk of any changes to be made to the declaration of interests.

1550 Minutes of the meeting held on 7 July 2011

The minutes of the meeting held on Thursday 7 July 2011 were accepted as a correct record.

1551 Matters Arising

1545 - Sabbatical Officer – Mark Taylor, 19+ Student Governor, reported that he had recently attended a meeting about the proposed Sabbatical Officer appointment with Muriel Callaghan (Director of Student Services).

1552 Mission, Vision, Values

The Principal introduced a report which had the purpose of reconfirming the Mission, Vision and Values of the College. At the Board meeting in July 2011, Governors commented that they would like to discuss the values of the College especially in light of the Entrepreneurial College initiative. At that meeting, the Board approved the Strategic Plan 2011-2015 and the report invited Governors to reconsider the values of the College.

The College's Mission, which represents the College's core purpose, is 'Success for all through learning'. The mission statement is not a promotional strap-line, but is used to inform the marketing strategy and other activities within the College. It is consistent with the Government's drive towards a more demand led FE system and their expectation that Colleges must improve their engagement and support to business.

In July 2011 the Board agreed a new Vision Statement: 'To be a college that is wholly entrepreneurial in spirit and action. We will be known for providing the best experience for students, staff and employers, which is unique from others in our sector'.

The College's Values, which continue to inform and shape the culture of Gateshead College, were approved by the Board in July 2009. They are: Excellence; Achievement; Positivity; Purposeful; Respect; and, Partnership. The Values and their associated behaviours represent what the College stands for and how we want to work. The report proposed that a seventh value: 'Entrepreneurship: where the ethos, value and culture of students, staff and leaders is truly entrepreneurial' should be adopted.

A Staff Governor commented that he did not disagree with the additional value but it had taken some time to embed the existing values and it may be difficult to add to these. Another member suggested that the additional value would be very complementary to the rest of the values. The Principal expressed the view that the successful addition of a seventh value would depend upon how the staff, who had been consulted over the existing six values, interpreted it. It was suggested that an appropriate way forward would be for the staff of the College to be consulted about their views on the addition of 'Entrepreneurship' and its associated behaviour to the Values before a final decision is made by the Board.

RESOLVED

- i) to note the contents of the report**
- ii) to approve consultation with the staff of the College on the inclusion of 'Entrepreneurship' as the seventh Value and to seek clarity on its interpretation as an associated behaviour**

1553 Health and Safety Policy Annual Approval

The Principal gave an oral report which advised the Board of the requirement for the annual approval of the College's Health and Safety Policy; copies of the policy document were available for inspection by the Board. It was noted that no changes are required to the policy document approved in 2010 and that the College management was seeking re-approval for the continuation of the current policy.

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A member highlighted the Responsibilities of the Board of the Corporation section and asked about the point to “ensure that all health and safety risks are considered when approving any college project” as some projects where there are health and safety implications do not require Board approval. The Principal replied that the overall responsibility for Health and Safety issues rests with himself and the Chair of the Corporation.

RESOLVED to reapprove the Health and Safety Policy

Copies of the Health and Safety Policy were signed by the Chairman of the Board of the Corporation and the Principal on Thursday 13 October 2011 following its approval

1554 North East Apprenticeship Company (NEAC)

The report and the record of discussion on it are ‘closed to public access’ until they are considered to be no longer commercially sensitive

Keith Cann Evans and John Holt declared an interest as Directors of NEAC

1555 Board Membership

The Clerk introduced a report which advised the Board of the resignation of a Support Staff Governor, the impending retirement of a Governor, the re-appointment of a Governor, vacancies for three Governors to be appointed under the terms of Clause 2(1)(a) of the Instrument and Articles of Government 2007, a vacancy on Audit Committee and an impending vacancy on Governance and Search Committee.

Support Staff Governor

Louise Ions (formerly Docherty) has tendered her resignation as Support Staff Governor as due to family commitments she is unable to give the time the post requires. Elections for a Support Staff Governor will be arranged in due course

Impending Retirement of a Governor

The term of appointment of Catherine Donovan is due to end on 31 October 2011. Catherine Donovan joined the Board in October 2007 and is a member of Governance and Search Committee. Following a change in her Cabinet portfolio as an Elected Member of Gateshead Council Catherine Donovan has indicated that she does not wish to be reconsidered for re-appointment to the Board.

Re-appointment of a Governor

The term of appointment of John McElroy as Governor is due to end on 31 October 2011. John McElroy has served as a member of Finance and General Purposes Committee since joining the board in 2003. The Board may consider the re-appointment of John McElroy as a Governor under the provisions of Clause 2(1)(a) of the Instrument and Articles of Government 2007. The Board noted that Governance and Search Committee has considered the contribution made to the work of the Board by John McElroy and the skills and experience which he brings to the Board membership as an Elected Member of Gateshead Council who has held a range of Cabinet portfolios and has recommended his re-appointment as a Governor for a term of two years.

Board Vacancies

It was noted that following the resignations of David Chesser and Jo Ray and the impending retirement of Catherine Donovan that there are three vacancies on the Board for Governors to be appointed under the provisions of Clause 2(1)(a) of the Instrument and Articles of Government 2007. Governance and Search Committee has commenced the search for potential candidates and in doing so has taken into account that women are now very underrepresented on the Board.

Audit Committee

Following the resignation of Louise Ions there is a vacancy on Audit Committee. Members indicated that consideration of filling this vacancy should be deferred until new members have been appointed to the Board.

Governance and Search Committee

A vacancy on Governance and Search Committee will arise on the retirement of Catherine Donovan. Members noted that Bob Bell, co-optee on Governance and Search Committee is currently undergoing medical treatment and is on 'leave of absence' until he is well enough to attend meetings. Keith Cann Evans indicated his willingness to serve as a member of Governance and Search Committee on a temporary basis until additional members are appointed to the Board.

The Chair suggested that a recruitment drive is needed and asked Board members to come up with one name each in order to populate a shortlist of potential candidates. The Chair of Governance and Search Committee reported that the Committee had agreed to advertise for expressions of interest from people who wished to be considered as potential Governors.

The Board requested that letters should be sent to Catherine Donovan and Louise Ions to thank them and to wish them well for the future.

RESOLVED

- i) to note the contents of the report**
- ii) to receive the resignation of Louise Ions as Support Staff Governor**
- iii) to note the impending retirement of Catherine Donovan**
- iv) to approve the re-appointment of John McElroy as a Governor for a term of two years ending 31 October 2013**
- v) to approve the appointment of Keith Cann Evans to the membership of Governance and Search Committee on a temporary basis.**

1556 Committee Membership 2011/2012

Governance and Search Committee provides advice to the Board on the membership and Chairmanship of the Board's Committees and reviews the membership on a regular basis. The Clerk introduced a report which advised the Board of the last review which was undertaken on 29 September 2011. A copy of the table of Committee membership was appended to the report. The review had been undertaken in the spread of expertise and experience of members and the distribution of the Board's workload across the membership. It was noted that there had been no responses to the Clerk's annual letter inviting members to express their wishes with regard to obtaining wider experience of the Board's work by serving on different Committees. Since the review Louise Ions, Support Staff Governor, has tendered her resignation from the Board and there is now a vacancy on Audit Committee.

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The Clerk referred to Directors of College Subsidiary Companies. The College currently has four subsidiary companies each of which have representatives of the Board of Governors on the Board of Directors: NEAC (jointly owned with Gateshead Council), Chair, Keith Cann Evans; Amacus Ltd, Chair, Keith Cann Evans; Charge your Car Ltd, Chair, Chris Macklin; and Gateshead College Foundation, Chair, Susan Bickerton, Directors, Allan Steele and Alan Reynolds.

The Clerk reported that recently published advice from the Skills Funding Agency indicated that members of College Audit Committees should not also be Directors of College Companies. There is no reference to this in either the Instrument and Articles of Government or the JACOP guidance on Audit Committees. This has implications both for the appointment of Directors and for the allocation of Board members to Committees and advice is being sought from SFA as to whether the advice is 'guidance' or whether it was mandatory.

The vacancy on Audit Committee was noted and members were of the view that, following the recent appointment of Anthony Garnett as a co-optee, the Committee would be able to function until new Board members were appointed. Members thanked Keith Cann Evans for volunteering to fill the gap on Governance and Search Committee on a temporary basis.

RESOLVED to approve the Membership and Chairmanship of the Board's Committees for 2011/2012

1557 Board and Committee Attendance 2010/2011

The Clerk introduced a report which provided information on the levels of attendance at Board and Committee meetings during the academic year 2010/2011. The Corporation has a target of 70% attendance for both individual members and overall. Considering individual attendance, the Board noted that during 2010/2011 six members failed to reach the 50% overall target, eleven members achieved the target of 70% or better and within that group three members achieved 100%, two members achieved 90% or more attendance and three members achieved more than 80%; this included attendance at committees which represents a considerable commitment.

Considering attendance at Board meetings it was noted that five members achieved 100% attendance at Board meetings and a further five achieved 70% or better, 70% being the target set by the Board. One member achieved 50% and seven members were below the 50% level. The May meeting achieved 41% attendance overall; this is only 1% above the minimum level of attendance required by the Instrument and Articles of Government. However, four members who were absent: Robin Mackie, Ian Renwick, Richard Thorold and Ivan Jepson were representing Gateshead College at the launch of the *Entrepreneurial College* at DBIS, London on the day of the meeting. The October and December meetings achieved 71% but attendance levels at all other meetings during the year were below the target of 70%. Board members were concerned to note that the overall average attendance at Board meetings for the year had fallen to 63%, the lowest recorded in a decade and a sharp decline from 72% in 2009/2010. The Clerk reminded members that the Board had originally set a target of 80% for both individual members and overall attendance but this had proved difficult to meet and the target had been lowered to 70%.

The average overall individual attendance at Board and Committee meetings, calculated by dividing the total actual attendances at all Board and Committee meetings by the total possible attendances was 71%. With an average of 73% Finance and General Purposes Committee has fallen back from its position of 74% in

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2009/2010 and failed to reach a quorum on one occasion. Audit Committee achieved 89% which is an improvement from 75% in the previous year. Governance and Search Committee achieved 78% which is a fall from 83% in 2009/2010. Academic Standards Committee attendance has fallen for the third year in succession from 92% in 2007/2008 to 78% in 2010/2011.

The Chair of Governance and Search Committee commented that the considered view of the Committee was that the poor levels of attendance at Board meetings would be of greater concern if the Board was failing in its duties. The College was still able to perform its statutory functions and the Board was able to monitor finances. Audit Committee Meetings are always well attended and only one meeting of Finance and General Purposes Committee out of ten had been inquorate during 2010/2011. He commented that the key issue is the overall contribution of members to the effectiveness of the Board. One of the consequences of having high profile, busy people as Governors is that they may not be able to attend every scheduled meeting.

However, members formed the view that there is need to avoid being complacent about occasional low levels of attendance, particularly where absences result in the Board failing to meet a published target by a wide margin. The annual Internal Audit Report on Corporate Governance produced by KPMG had highlighted that the total overall level of Board attendance was below 70% and this had resulted in the College's grading for Corporate Governance falling to 'Satisfactory'. The attendance of some individual members is a cause for concern and the Board has only just managed to exceed the overall target level of attendance at 70% because of the very high attendance rates of a few members. Members concurred with the suggestion of Governance and Search Committee that, in terms of monitoring the overall attendance of Board and Committee meetings, a half-yearly monitoring of attendance, at the end of February 2012, would be appropriate.

The Chair commented that business pressure meant that members cannot always attend Board meetings. Video conferencing, which is permitted by the Instrument and Articles of Government provided that everyone 'present' can see each other was discussed as a way of members still being able to 'attend' when they were unable to be physically present in the Board Room. Members were interested to learn that the Principal was to participate in trialling the use of video conferencing in the following week and looked forward to further consideration of a change in *modus operandi* in the future.

RESOLVED to note the contents of the report

1558 Review of Terms of Reference of Board Committees

The Board reviews the terms of reference of each of its committees annually and relies upon the advice of Governance and Search Committee in conducting that review. The Clerk introduced a report which indicated that the Committee had considered the composition and terms of reference for each committee on 29 September 2011 and had recommended the revisions set out in the report. Copies of the terms of reference for each committee, which indicated text to be removed and text to be added, were appended to the report. No changes were proposed to the terms of reference for Finance and General Purposes Committee, Governance and Search Committee or Remuneration Committee.

A very minor modification is required to the terms of reference for Academic Standards Committee to reflect the reduction in the number of meetings per year to three.

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A minor modification is required to the terms of reference for the Audit Committee to remove the reference to Accommodation Committee, which no longer exists. The report drew the Board's attention to the possibility of the need for a further amendment to include '*members who serve as Directors of College Subsidiary Companies will be ineligible for appointment to the Audit Committee*'. The possible inclusion of the reference to Directors of College Subsidiary Companies follows the publication of the SFA Guidance Document 'Consent for Further Education Colleges to invest in Companies' published in June 2011. The guidance states in Section 17(c) 'to maintain a degree of independence in audit matters, members of the college audit committee should not sit on the company board'

The Board noted that neither the Instrument and Articles of Government nor the Joint Audit Code of Practice Guidance on Audit Committees included similar references and that members of Audit Committee had been appointed as Directors of the Gateshead College Foundation and of a new subsidiary company before the SFA document was published. The Board noted that Governance and Search Committee had requested that advice should be sought from SFA as to whether the guidance is to be regarded as 'guidance' or whether it is 'mandatory' before any further changes are made to the terms of reference of Audit Committee or to the appointment of Directors to subsidiary companies.

RESOLVED

- i) to note the contents of the report**
- ii) to approve that the changes proposed to the terms of reference of Academic Standards Committee and Audit Committee**

1559 Revised Code of Conduct

The Code of Conduct is reviewed on a regular basis in order to ensure that it complies with the Instrument and Articles of Government and is in harmony with current best practice in governance, the last revision was in October 2010. The Code is based on a template produced by Eversheds, the College's legal advisers. The Clerk introduced a report which advised the Board that advice from Eversheds is that the model of the Code of Conduct will be reviewed and revised later in the year. No changes are therefore proposed to the Board's Code of Conduct until further guidance is received.

RESOLVED

- i) to note the contents of the report**
- ii) to approve the re-adoption of the current Code of Conduct (October 2010)**

1560 Review of Standing Orders

The Clerk introduced a report to which was appended a copy of the Board's Standing Orders and Complaints Procedure. The Board is committed to the regular review of its Standing Orders and the last review was undertaken in October 2010 when substantial revisions were made. The Clerk advised that proposals to introduce paperless meetings of the Board and its Committees and the possibility of video conferencing will require some changes to be made to Standing Orders. However, it is not proposed to make any amendments until such time as the implications of the changes in *modus operandi* are known.

Governance and Search Committee reviewed the current Standing Orders and Board Complaints Procedure on 29 September 2011. The Committee formed the view that they remained 'fit for purpose' and recommended their readoption by the Board.

RESOLVED to approve the readoption of the current (October 2010) version of Standing Orders and Board Complaints Procedure

1561 Register of Interests

The Clerk introduced a report which advised the Board on changes in the Register of Interests. In addition to the Register of Members' Interests the Clerk maintains a Register of Interests of key staff of the College. The entries on both registers are reviewed regularly by Governance and Search Committee. The last review was undertaken on 29 September 2011 and the Committee was satisfied that there were no entries on either register which were a cause for concern. It was noted that three members had not yet submitted their updated entries for 2011 and they were reminded to do so.

RESOLVED to note the contents of the report

1562 Audit of Board and Committee Business 2010/2011

The Clerk introduced a report to which was appended an audit of the business of the Board and its Committees during the academic year 2010/2011. The audit, which had been reviewed by Governance and Search Committee, provided brief details of the business conducted at each Board and Committee meeting during 2010/2011. The audit will be used in conjunction with information on topics expected to develop during the coming year to formulate the 'rolling agendas' for the Board and its Committees during 2011/2012.

RESOLVED to note the contents of the report

1563 Property Strategy Progress Report

Robin Mackie declared an interest in the Test Track

The Director of Finance introduced a report which updated the Board on the Phase 2 Property Strategy of Skills Academy – Sustainable Manufacturing & Innovation, Test Track, Phase 2 of the Construction Centre and the Stadium – Academy for Sport.

Skills Academy – Sustainable Manufacturing & Innovation

It was noted that practical completion of the Skills Academy had been achieved in early August and the final account had been provisionally agreed with Mansell. Members were informed that following careful cost control, the project is likely to be around £360,000 under budget despite the cost of having to work around the NEDL cable which crossed the site and the delayed start to the project. It had been expected that the project would be around £150,000 over budget and members congratulated the Director of Finance and his team for their efficient management.

Test Track

It was noted that practical completion of the Test Track has been achieved and the project will be on budget. The College has received the full £2.5m from One North East. The remaining grant will be used to support the first year of operation of the facility.

Construction Centre Phase 2

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The Board was informed that work on the Construction Centre Phase 2 was now well underway with the new hub building taking shape and the workshop extension completed ready for the College to fit it out over the coming months. The plans for workshop extension have not yet been developed but £0.5m has been provided in the budget for this work to be undertaken later in the year. Student and staff occupation is expected from January 2012.

International Stadium – Academy for Sport

The College has agreed the revised lease to take over the whole of the Academy Building at the International Stadium from Gateshead Council. The five rooms in the new stadium extension have also been completed and the draft lease is awaited from the Council.

The Chair commented that the Principal and the Executive Team should be commended for bringing in all these projects on time and on budget.

RESOLVED to note the contents of the report

1564 Principal's Report

The Principal presented a report which advised the Board on recent developments in the College and highlighted items of particular interest.

John Cridland, Director General of the CBI visited the SASMI Centre on Friday 30 September and was very complimentary about the facilities and the College. The College has agreed to look at working even more closely on the CBI's education agenda for next year.

The Chair commented that members recognised and appreciated the efforts of the Principal supported by an excellent Executive Team.

The Principal reported that he had attended a number of meetings with Graham Wood, Chairman of Gateshead Football Club, regarding possible future collaboration with the Club and Gateshead Council on the proposed development of a new Gateshead Football Club Stadium. This development could fit with the College's long-term vision for sport in Gateshead and the region and discussions with the Club Chairman and the CEO of Gateshead Council are ongoing. Members noted the Principal's comment that the College's involvement in the venture would be determined by whether the proposed development was within its core business.

Members were particularly interested to hear about the Principal's meetings with colleagues who make up the Entrepreneurial College Group. The Principal said the group had been renamed the Gazelle Group and the current members intended to invite other like-minded Principals and Entrepreneurs to join. The Gazelle Group will meet periodically to discuss ideas surrounding Entrepreneurial Education. The Gazelle Group is a separate entity from Generator Ltd, the company set up by the four colleges, which has the sole aim to leverage profit from its entrepreneurial IP activities.

A member sought clarification on Generator Ltd and on the College's involvement. It was noted that the Board has agreed an investment of £500,000 but the sum has not yet been transferred. The Director of Finance explained that the College had some concerns about the way in which the company had been set up initially by one of the participant colleges and had requested that Eversheds, the College's legal advisers,

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should act on its behalf. Gateshead College has now taken on responsibility for ensuring that the necessary legal provisions are made to safeguard each investor college's interests and appropriate documentation is being drafted by Eversheds to establish a company limited by shares. The company will operate with a Board of Directors which includes a representative from each of the participant colleges. It will have 1000 ordinary shares with each participant college holding an investment of 250. The company will also have redeemable preference shares to enable it to draw down funds. The College's investment will remain in the College's bank account and be handed over only as it is needed. Members were pleased to learn that John Holt, Director of Finance will be Company Secretary of Generator Ltd and therefore able to monitor the College's investment. Ian Renwick has been appointed Entrepreneurial Champion by the Board and will support the Principal in the venture.

RESOLVED to note the contents of the report

1565 Strategic Plan Progress Report

The Principal introduced a report which advised the Board about Progress against the Strategic Plan. As part of the initiative to modernise the way that the Board receives information, an update on Progress against the Strategic Plan and Progress against agreed KPIs via a Governors' Dashboard will be produced for each meeting of the Board.

The Principal explained that each member of the Leadership Team had produced detail under the Governors' Dashboard section. He added that the format would be improved for the next meeting with more detail coded by a traffic light system. A member asked if there would be a page in Dropbox to access this information. The Principal confirmed this; the Director of Finance suggested that it would be possible for the College to have its own 'App' for iPads.

A member expressed the view that the Summer 2011 A level results had shown significant improvements and the students should be congratulated. The Principal commented that this was a positive way forward but it was just one year of good results and the College's A level success rates had been poor in previous years. He explained that he had a series of meetings with staff responsible for A level provision and had explained that unless results improved the College would cease to offer A levels and his tactics appeared to have worked.

RESOLVED to note the contents of the report

1566 Report of the Clerk

The Clerk introduced a routine report which advised the Board of Governor activity since July 2011, governors' expenses and other news.

In the year ending 31 July 2011 payments totalling £381.08 were made to Governors in recompense for expenses incurred in connection with their duties.

The Clerk highlighted the NUS Student Governor Support Programme Regional Induction Event which Gateshead College had hosted on Wednesday 21 September 2011. Both Student Governors, Mark Taylor and Aziz Kouame, had taken part in the event which was also supported by Darren Heathcote, Learner Services Manager and the Clerk. The next event will take place in December at Barnsley College.

RESOLVED to note the contents of the report

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1567 Minutes of Committees

The Board received the minutes of the following Committees:
Governance and Search Committee held on 12 May 2011
Audit Committee held on 8 June 2011
Finance and General Purposes Committee on 30 June 2011

1568 Any other business

The Chair suggested that it is time to revisit the discussions held in 2010/2011 on the introduction of a Gateshead College Group structure at a future meeting.

1569 Date of next meeting

The next Board meeting would be on Thursday 8 December commencing at 5.30pm and would be followed by Christmas Dinner in Enfields

1570 Chair's Review of Business

The Chair commented on the new challenges facing the College, which is in 'good health' and supported by an excellent team of people. There are many new opportunities but it is also timely to look inside and review what is required to get into shape for the future.