

BOARD OF GOVERNORS



THURSDAY 10 MAY 2012

Report: Minutes of the meeting held on Thursday 22 March 2012
Author: Clerk to the Corporation
Action: Approve
Status: Open

GATESHEAD COLLEGE

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

In attendance: Mick Brophy
Jackie Doxford
Judith Doyle
John Holt
Gwyneth Jones

1625 Welcome/Apologies

Robin Mackie welcomed everyone to the meeting. Apologies for absence were received from 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.

1626 Minutes of the meeting held on Thursday 9 February 2012

The minutes of the meeting held on Thursday 9 February 2012 were accepted as a correct record.

1627 Matters Arising

There were no matters arising which were not substantive items on the agenda

1628 Curriculum Modernisation

The Deputy Principal, Curriculum and Quality introduced a paper outlining a proposal which sought to modernise the delivery of the College's curriculum by introducing a new staffing structure for the teaching workforce. She explained that the proposed new structure was designed to develop, implement and support new and innovative curriculum models. The old world view of achievement of qualifications as the driver and the key outcome is out-dated: the modern curriculum has the learner, their development needs and their individual required outcomes as the drivers.

Current teaching staff job roles and the associated terms are outdated and largely inflexible. They were designed to deliver learning in a very different FE landscape and to prepare learners for employment opportunities that have radically changed or no longer exist. FE Colleges are now required to be more imaginative and flexible in their approach to teaching and learning. The new Common Inspection Framework to be introduced from September 2012 has this at its heart: only colleges graded outstanding for teaching and learning can be graded outstanding overall. Therefore, for Gateshead College to retain its outstanding status it is imperative that the proposed changes are embraced. To deliver a modernised curriculum the College needs a greater range of skill sets, roles and qualities in order to meet the challenges of an ever-changing environment.

The proposal introduced four new job roles which replaced the existing teaching roles and these were Lead Practitioner, Curriculum Leader, Teacher and Learning Facilitator. The Board noted that these job roles are not simply rebadging of the current jobs and are significantly different in focus, activities and the skills and qualities required for the job holders.

The Deputy Principal, Curriculum and Quality stressed that the paper was about changing the way of employing teaching staff and that it was not a cost savings exercise. A member commented that he was confused as to why the paper had come to the Board when recent restructuring in middle management had not. The Deputy Principal, Curriculum and Quality explained that it was because of the significant number of people affected by the proposal under consideration. She indicated that several aspects of the proposed modernisation of the curriculum had been developed in response to what teaching staff have requested in staff surveys.

Another member expressed the view that the proposal was commendable and the timing was right due to the external climate. The Principal replied that the first year was only to modernise the workforce making it more efficient, slick and agile and the proposal was not about cost savings at this time. The College has a growth strategy to absorb students at nil expenditure costs. The Chair of Academic Standards Committee expressed his support for the changes from an educational point of view; Gateshead College is an outstanding college and teaching and learning is at the heart of what makes it outstanding.

Another member commented that proposals for having more flexible staffing arrangements in the College came along every few years whilst the average class size and ratio of staff had remained unchanged. He also made a plea for all of the proposed job roles to be in plain English which was not the case with the role of a 'Learning Facilitator'. The Chair acknowledged that the College had undergone many changes in staffing structure and understood the scepticism of staff but the College management was now seeking the full support of all Board members in terms of the current proposal.

Agenda No: 2

RESOLVED to approve the proposal for curriculum modernisation and support opening consultation with the teaching workforce and trade unions

1629 Funding 2012/2013

The report and the record of discussion on it are 'closed to public access' until such time as they are considered to be no longer commercially sensitive

1630 Tyneside Training Services Ltd (TTS)

The report and the record of discussion on it are 'closed to public access' until such time as they are considered to be no longer commercially sensitive

1631 Subsidiary Companies

The Principal introduced a report which brought together the issues relating to the involvement of Governors in the operation of College subsidiary companies which have arisen in discussions at Governance and Search Committee, Finance and General Purposes Committee and at the Board of Governors. In light of these discussions the Board had tasked the Principal with seeking advice in relation to College Subsidiary Companies.

Gateshead College has five active subsidiary companies: Amacus Ltd, North East Apprenticeship Company Ltd, Gateshead College Foundation, Charge Your Car (North) Ltd, Zero Carbon Futures UK Ltd (formerly Charge Your Car Ltd) and currently the Chair of the Board of Directors of each company is a Governor of the College.

The SFA Guidance Document 'Consent for Further Education Colleges to invest in Companies' published in September 2011 contains the following statement '*to maintain a degree of independence in audit matters, members of the college audit committee should not sit on the company board*'. With the exception of Keith Cann Evans and Alan Reynolds all of the Directors of College subsidiary companies are members of Audit Committee.

Governance and Search Committee considered the SFA guidance during the review of the terms of reference of Audit Committee on 29 September 2011 and 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 Charge Your Car (North) Ltd and Zero Carbon Futures UK Ltd before the SFA document was published. The Committee formed the view that advice should be sought from SFA as to whether the guidance was to be regarded as 'guidance' or whether it was 'mandatory' before any further changes were made to the terms of reference of Audit Committee or to the appointment of Directors to subsidiary companies.

The Clerk had sought advice from the SFA on behalf of the Board and after several telephone calls and emails and a letter to offices around the country she had eventually received an email from Derek Lewis, Provider Financial Intervention and Support Manager (Policy).

The reply set the SFA document in context, explaining that it was '*written to provide guidance to colleges and is based on what is deemed to be best practice*'. It recommended that '*governors who are members of a college audit committee, should not also be directors of any college subsidiaries so as to minimise the risk of conflicts*

Agenda No: 2

of interest arising and not compromise the independence and impartiality of the audit committee. The reply went on to indicate that 'it is a matter for the governing body of the college to decide what governance arrangements are best suited to its needs and what checks and balances need to be in place to ensure that it operates with due regard to its fiduciary duties and responsibilities'. It summed up by indicating that 'after taking due regard of the Agency's guidance and appropriate expert advice, the governing body of Gateshead College may still wish to appoint governors who are members of the college's audit committee as Directors of the Gateshead College Foundation'. Should this be the case the response recommended that the Board 'should be made fully aware of the possible consequences and the reputational risk which could result from these actions.'

The Principal referred to the above paragraph and explained that in accordance with the Board's instructions he had sought legal advice on the best way to structure the governance and management of all College subsidiary companies. The advice received from the College Lawyers clearly allows, from a legal point of view, an Executive (i.e. Deputy Principal) of the College to act as Chairman and then a member of the Governing body of Gateshead College to sit as a Director of that subsidiary company. The structure will allow the clear day to day management of the Managing Director of any subsidiary company to be vested in a member of the Executive Team of the College thus ensuring a strong and effective relationship with clear lines of accountability and responsibility.

The Chair of Audit Committee commented on the SFA guidance relating to members of Audit Committee serving as Directors of College subsidiary companies. He indicated that as Anthony Garnett is a co-opted member of Audit Committee and not a Governor he would ask Anthony Garnett to take the Chair for that part of any meeting where consideration of an item relating to a College subsidiary may cause reputational problems.

RESOLVED

- i) to note the changes suggested in the legal advice to the paper**
- ii) to approve that the Executive Team work with the relevant Governors appointed to the Board of Directors of each subsidiary company to effect the suggested changes in the management structure. Such changes will not affect the Board of Governors nomination of Governors to serve on the Board of Directors of each subsidiary company**

1632 Property Strategy

The Director of Finance introduced a paper which updated the Board on progress with the Phase 2 Property Strategy.

It was noted that the Hub building at the Construction Centre Phase 2 is now completed and staff and students were able to move in over half term. The Modular Building has now been removed with Phase 3 of the project running from 5 March to 26 March to remove the concrete pad and complete the access road. Phase 4 fit out of the workshops will commence at the end of the March 2012 and continue until late June, in time for the new academic year. Cost consultants MDA originally estimated the cost at £547,454 plus fees and VAT; however, on going out to tender the College had five responses ranging from £459,908 to £512,388. The lowest tender was from BRIMS who undertook the refurbishment at the Test Track satisfactorily and their tender has been checked by MDA resulting in a final price of £458,123.36 plus fees and VAT. Fees are anticipated to be no more than 10% giving a total price of

Agenda No: 2

£604,723 including VAT at 20%. The College has also secured a capital grant from the SFA of £100,000 thereby reducing the net cost to £504,723. Figures were provided which summarised the current financial position of the project and showed that expenditure was in line with the budget.

RESOLVED

- i) to approve expenditure including fees and VAT on the fit out of the workshops constructed under Phase 2 of the Construction Centre of £604,723**
- ii) to approve entering into a contract with BRIMS Construction Ltd for £458,123.36 plus VAT**

1633 Revised Code of Conduct

The Clerk introduced a report which advised the Board of changes proposed to the Code of Conduct following advice received from Eversheds, a copy of the draft revised Code of Conduct was attached to the report. The Code of Conduct is based on a model document produced by Eversheds, the College's Legal Advisers which 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. A new template has been produced by Eversheds to incorporate changes/additions required by recent legislation and changes in SFA documentation.

Governance and Search Committee considered the changes proposed to the Code of Conduct for Corporation Members on 23 February 2012 and recommended that the Board should be requested to approve the revised Code of Conduct.

RESOLVED to approve the revised Code of Conduct

1634 Revised Standing Orders

The Clerk introduced a report to which was appended a draft of a revised version of the Board's Standing Orders and the Corporation Complaints Procedure. The Board is committed to the regular review of its Standing Orders and the last review was undertaken in October 2011, the last revisions were made in October 2010.

Governance and Search Committee considered the changes proposed to the Board's Standing Orders and Board Complaints Procedure on 23 February 2012 and recommended their approval to the Board.

RESOLVED to approve the revised Standing Orders and Complaints Procedure

1635 Audit Committee Vacancy

The Clerk explained that following the resignation of Louise Ions there is a vacancy on Audit Committee. Governance and Search Committee considered the vacancy on 23 February 2012 and formed the view that the Board should be advised to appoint Alex Rutherford to the membership of Audit Committee.

RESOLVED to approve the appointment of Alex Rutherford to the membership of Audit Committee

Agenda No: 2

1636 Equality and Diversity Policy

The Deputy Principal Curriculum and Quality introduced a paper which highlighted progress against the College's Equality objectives in 2010/2011 and identified priorities for the coming year. The matter had been scheduled for discussion at the previous Board meeting on 9 February 2012 but the amended Equality and Diversity Policy referred to in the report had not been appended to the paper.

The Board noted that revised arrangements have been implemented for the management of Equality and Diversity within the College comprising an Equality and Diversity Committee and an Equality and Diversity Steering Group. The Equality and Diversity Policy has been amended to reflect this. In response to an enquiry from the Chair about the membership of the Equality and Diversity Steering Group, the Deputy Principal Curriculum and Quality indicated that it is composed of teaching staff, delivery staff and support staff.

RESOLVED

- i) to note the report**
- ii) to approve the revisions made to the Equality and Diversity Policy**

1637 AoC Foundation Code of Governance

The Clerk introduced a report which summarised the history, context and considerations for the recently published Foundation Code of Governance (Association of Colleges (AoC) in November 2011). Governance and Search Committee discussed the Foundation Code on 23 February 2012 and formed the view that consideration of its adoption by the Gateshead College Corporation was a matter for the Board.

In response to questions from members the Clerk explained that there would be no penalties for the College if the Code it was not adopted and that it was possible for the College to adapt the Foundation Code to suit its own use. A member asked if there was anything listed in the Foundation Code which Gateshead College Board was not doing and the Clerk replied that in her opinion the Board complied with the spirit and ethos of the Code. Another member commented on the changes in FE college governance expected following the Education Act 2011 and advised leaving the adoption of the Foundation Code until the Board had completed its discussions on the modernisation of its processes of governance.

RESOLVED to consider the adoption of the Foundation Code of Governance in concert with the Board's discussions on the modernisation of the processes of governance

1638 Update on Board Quality Improvement Plan

The Clerk introduced a paper which provided an update to members on the Board Quality Improvement Plan. Following discussion at Board meetings on 8 December 2011 and 9 February 2012 and responses received by the Clerk from individual Governors, additions had been made to the 'Action to be Taken' column of the Quality Improvement Plan. The Clerk advised members that the document was still a 'work in progress' and responses were required for those areas where comments had not been added.

The Clerk requested that in order to move the Quality Improvement Plan forward Board members should consider and advise her on 'Action to be Taken' for those

Agenda No: 2

Areas of Improvement for which no actions had been identified. Consideration of timescales and priorities for the various actions was required. Individuals need to be identified, who could be either members of College management or Governors, who the Board wishes to support and/or take responsibility for specific actions in order to bring about improvement. The progress of each action taken will be reviewed by the Clerk at each Board meeting and a summary report of the status of the plan will be produced at the end of the year, which will be the starting point for the Self Assessment process for 2011/12.

The Chair suggested that the Executive Team should look at the 'Actions to be Taken' and involve some of the Governors in the task. A member suggested prioritising those 'Actions' which would need to be completed first. Keith Cann Evans volunteered to be involved with the Area for Improvement relating to continuity and renewal of the membership of the governing body.

RESOLVED

- i) to note the contents of the report and the attached Quality Improvement Plan**
- ii) that the Executive Team should review, prioritise and develop the Actions to be Taken and involve individual Governors, as appropriate, in the process**

1639 Principal's Report

The Principal presented a report which advised the Board on recent developments in the College and highlighted items of particular interest. Over the last two months the Principal has attended a number of Gazelle Group meetings which culminated in a four day Entrepreneurial event in Liverpool where Gazelle Entrepreneurs and Principals met to discuss the overall initiative. The key speaker at the event was Richard Branson. The Principal indicated that he had found the event very interesting and a Board member who also attended the event agreed.

Discussions regarding a Memorandum of Understanding and Centre of Excellence with the Zero Emissions Division of Nissan Europe have progressed well and the joint intention is to announce the Centre and the Memorandum of Understanding on 23 March 2012 at the Nissan offices.

Members were interested to learn that negotiations with Dame Kelly Holmes on becoming an Ambassador for Gateshead College were nearing completion and the intention was for an agreement to be signed by late March 2012. Dame Kelly will be working with the College on a number of sporting initiatives.

The Principal reported that he was currently discussing an exciting initiative with the North East French Consul that will benefit all of the College's students. He was also working with him on developing "Les Compagnons du Devoir" which is a very ancient French apprenticeship system. This would allow students from Gateshead College to go abroad; the international dimension would give them stronger CVs.

The Chair commented on the recent Sunday Times chart of best not-for-profit organisations 2012 which was published in the Sunday Times on 11 March 2012. Gateshead College came 80th on the chart. He thanked everyone at the College for a job well done and thought it could aim for an even higher position next year. The Principal commented that nearly all of the successful organisations were in the charitable and housing sector. There were only 5 educational organisations in the chart and only 2 colleges received higher ratings than Gateshead College.

Agenda No: 2

RESOLVED to note the contents of the report

1640 Report of the Clerk

The Clerk introduced a routine report which advised the Board of Governor activity since February 2012. It was noted that David Mitchell had attended the national AoC Strategic Governance Summit held on 29 February 2012; David commented that he had not found the event to be particularly inspiring but he had enjoyed meeting and discussing matters of common interest with Governors, Principals and Clerks from other colleges.

RESOLVED to note the contents of the report

1641 Minutes of Committees

The Board received the minutes of the following Committees:
Governance and Search Committee held on 29 September 2011
Academic Standards Committee held on 23 November 2011
Finance and General Purposes Committee held on 12 January 2012
Audit Committee held on 5 October 2011

1642 Other Business

A member raised the subject of 'closed minutes' and asked whether it would be possible to have 'closed until (date)' as a default instead of the phrase 'closed until such time as.....'. The Clerk replied that this would depend on the matters discussed and explained that it is not always possible at the time of producing minutes to determine the date when an item can be released into the public domain. The Chair commented that the timeframe should be known for information relating to budgets.

The Chair referred to a letter which had been received in respect of the New Challenges, New Chances paper and indicated that he would circulate a copy to Governors. The intention was to capture the thoughts of Governors in order to provide feedback to the Department for Business, Innovation and Skills.

1643 Date of next meeting

The next Board meeting will be held on Thursday 10 May 2012 following the Strategic Development Session which will begin at 10.00 am.

1644 Chair's Review of Business

The Chair's review of business was deferred *sine die*.