

BOARD OF GOVERNORS

THURSDAY 12 DECEMBER 2013



GATESHEAD COLLEGE

Report: Minutes of the meeting held on Thursday 24
October 2013
Author: Clerk
Action: Approve
Status: Open

Present: Robin Mackie (Chair)
Rebecca Anderson
Keith Cann Evans
Emily Cox
Catherine Dennis
Judith Doyle
Ivan Jepson
John McElroy
David Mitchell
Mark Taylor

In attendance: John Holt
Gwyneth Jones
Emma Moody
Mark Thompson

1801 Welcome/ Apologies

Robin Mackie welcomed everyone to the meeting in particular Judith Doyle who was attending her first general Board meeting since being appointed as Principal. Apologies for absence were received from Mick Brophy, Kevin Fitzpatrick, Sally Hancox, Darren Heathcote, Nadine Hudspeth and Chris Macklin. The Principal informed everyone that Darren's wife had given birth to a baby boy last night and said she would pass on the Board's congratulations and good wishes. The Clerk advised that Emily Cox would be joining the meeting at 12.50pm following a conference call and Mark Taylor would be joining at 1.30pm.

The Chair invited members to declare any interests on any item on the agenda. No other 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.

1802 Minutes of the meeting held on Thursday 4 July 2013

The minutes of the meeting held on Thursday 4 July 2013 were accepted as a true record. The Principal informed the Board that work had commenced on the refurbishment of Barmston Court.

Agenda No: 3

Minutes of the meeting held on Friday 26 July 2013

The minutes of the meeting held on Friday 26 July 2013 were accepted as a true record. The Chair advised that a verbal update on the Federation would feature later on the agenda.

Minutes of the meeting held on Thursday 19 September 2013

Confidential discussion

The Chair said that the title for '1798 – Confederation Proposals' should be amended to read 'Federation Proposals'. Following this amendment and noting the Principal's comments, the minutes of the meeting held on Thursday 19 September 2013 were accepted as a true record.

A Governor commented that the October Board meeting was usually a Development Session and Governance Health Check. The Clerk replied that she would be covering this area under item 7 on today's agenda.

1803 Matters Arising

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

1804 Learner Performance 2012/13

The Principal introduced a report on Learner Performance 2012/13. She advised that the final return had been signed off this morning and would be sent to the Funding Council.

The purpose of the report was to provide members of the Board with information that would allow them to monitor the quality of the learning experience provided for students on publically funded college-based and employer based courses.

As the College moves towards the final position for the academic year 2012/13, confirmed data is able to be used in some instances. All long course retention rates for 2012/13 are now confirmed and in some instances success rates are confirmed or close to being confirmed. The data shows that the College's predictions have been extremely accurate.

She advised that the data report included also presented current/predicted success rates for 12/13 alongside the QSR data for the 2 previous years so that governors can monitor the impact of the quality improvement actions being undertaken by managers. She explained that the data had been RAG rated for 'All long' provision to allow governors to see the College's progress in achieving its ambition to maintain improvements in success rates and for performance to be substantially above national rates. The Principal indicated that at the next Board meeting on 12 December 2013, she would be able to share where the College was in terms of current learners for 2013/14.

The Principal ran through the predictions shown for 2012/13 Success Rates. She indicated that 16-18 performance (Long Level 1) is predicting a success rate of 89% which is a 4% increase on last year and a 7% increase on 2010/2011. The Principal said that when the College was last inspected by Ofsted in May 2012 it was based on the 2010/2011 data. Data from 2011/2012 and 2012/2013 would be used for the next inspection. 16-18 (Long Level 2) is predicting a success rate of [87%] which is a 3%

Agenda No: 3

increase on last year and a 10% increase on 2010/2011. 16-18 (Long Level 3) is predicting a success rate of [82%] which is [2%] above the national rate and an increase of 4% since 2011/2012 and 4% on 2010/2011.

19+ (Long Level 1) is predicting a success rate of 85% which is a 7% increase from 2011/2012 and a 3% increase on 2010/2011. 19+ (Long Level 2) is predicting a success rate of 83%. 19+ (Long Level 3) is predicting a success rate of 77% with 74.6% in 2011/2012 and 65.1% in 2010/2011. All long courses had a predicted success rate of 82.1% which is a significant improvement on 74% in 2011/2012 and 69.5% in 2010/2011. Overall with short qualifications, the long data is taking the overall predicted success rate to 89.9%. The Principal advised that this figure had increased to 91% in the final return which had been signed off this morning. This was against a national rate of 84.2% and a 87.4% success rate in 2011/2012 and 81.6% in 2010/2011. The Principal said that 91% was high in anyone's measurement and this was a mandate of Gateshead College's rigour with reporting at the Academic Standards Committee and Board over the last few months.

In terms of Apprenticeships, the predicted success rate for 2012/2013 was 85%; in 2011/2012 the predicted success rate was 74.5% which was the issue last year. Work Based Learning had very good success rates and strong outturns.

A member commented that the figures were very good and had beaten last year's rates across the College. The Principal said that when the College was last inspected the rates had been significantly below the national rates but now it was in a strong position and had experienced a turnaround. The only exception to this was 19+ (Long Level 3). Another member commented that there had been fantastic achievements across the College and he congratulated everyone for playing a part in it. He enquired what grade Gateshead College would be classed as and the Principal replied that the Ofsted inspection would be looking at other factors, not just these figures. There was however now daylight in the figures between Gateshead College and other Colleges and she thought that the College would now be rated as a Grade 2 College.

The Chair indicated that the Board was pleased with progress and asked if it was sustainable. The Principal replied that it was very sustainable; rigour was being used to look after every learner to achieve success for every student. Poor retention equalled poor success rates. There was very good retention around Year 1 so this should be an indicator for high success rates.

The Chair said that Academic Standards Committee should continue to focus on the success rate data and not lose momentum. The Teaching Staff Governor said the Retention and Achievement Co-ordinators had been a good support for staff. The Chair of Academic Standards Committee commented that the overall picture was very positive. He said that the members who sat on the Committee dig below the headlines; some areas are not as good as others and referred to A Level being an area which could affect next year's figures. He thought Ofsted would be interested in the amount of teaching classed as 'satisfactory'.

The Chair said it was nice to hear that the College was working on sustainability and responding to issues well and thought Academic Standards Committee needed to continue to delve deeper and challenge the executive team on areas for concern.

The Chair of Academic Standards Committee indicated that the Committee was receiving better information and looking below the headline figures. He said that the Committee had lost two "academic" people from its membership. The Teaching Staff

Agenda No: 3

Governor said that a holistic approach was being taken to a course which is under achieving. The Chair of Academic Standards Committee replied that the College had often soldiered on with underperforming courses when they should have been removed from the curriculum so there was a balance to be struck between removing courses too quickly, and giving them a chance to improve.

The Chair thanked the Teaching Staff Governor for her feedback and the Chair of Academic Standards Committee for their hard work.

RESOLVED to note the contents of the report

1805 Management Accounts: June, July and August 2013

The Director of Finance advised that he did not propose to go through the Management Accounts for June 2013 as the accounts for July and August 2013 both featured on today's agenda.

Management Accounts: July 2013

The Director of Finance introduced the Management Accounts for July 2013. He explained that the provisional outturn for 2013 had been impacted up by the following adverse events:

- The charge to the P & L for unfunded Pensions and the FRS 17 have come in from the actuary at twice the expected level namely, £600,000, instead of the £300,000 despite the overall LGPS deficit shrinking by £950,000 to £10,230,000. In order to stay in surplus for 2012/2013 the College has not accrued back the cost of voluntary severance where the leaver had not decided to leave by 31 July 2013. This has had a detrimental effect on the start of the new year, which would be reflected in the August Management Accounts.
- Payments to partners are higher than planned as the College used them more than they had hoped in order to hit targets. Direct delivery has grown with the College achieving £1,260,000 of the £250,000 target set in February. The momentum from the growth will benefit 2013/2014.

Despite this the College had managed to generate a slightly higher surplus than forecast previously of £45,000 which will increase slightly when the 50% share of the Charge Your Car Joint Venture is included. It was noted that the figures were unaudited and so were subject to change.

- Income in July 2013 was £5,551,000 taking the year to date total to £47,699,000 ahead of target by £3,092,000.
- SFA/EFA activity was £790,000 over target in the month as a result of 19+ activity exceeding target by £182,000 and SSU also continuing to outperform expectations. Most of the extra activity was through partners which resulted in payments being higher than planned.
- Revenue from HE was down in July as a result of providing for clawback following the reconciliation of learner numbers with HEFCE for the year.
- Full cost revenue was down in the month following reclassification of income and the exclusion of intercompany transactions.
- Other Grant Income revenue from projects such as RGF and Plugged in Places was higher than in previous months as the College has been able to recognise additional RGF revenue for curriculum development and the final installations on the Plugged in Places Project have been mopped up which has meant the

Agenda No: 3

College has been able to release more ONE funding held on account and claim more from OLEV.

- FE tuition fees finished the year at £443,000 against a target of £481,000 which was slightly up on previous forecasts, reflecting late enrolments. HE tuition fees are lower than previously expected at £766,000 reflecting write offs from bad debtors.
- Expenditure in July 2013 was £5,444,000 bringing the year to date total to £47,654,000.
- Pay costs in July 2013 totalled £2,161,000 against a budget of £1,869,000 which reduced the full year favourable variance to £16,000. Pay was high in July as a result of having to provide an additional £300,000 of unfunded pension and FRS17 charges which was double the expected charge for the year. The number of voluntary severances was low as the decision on these did not go through until August 2013.
- Overall other operating expenditure was £3,289,000 in July, over budget by £1,847,000 of which £1,100,000 was on partner payments. Expenditure was high for a number of reasons which included costs associated with the recruitment of a new Principal and HR Director; the Plugged in Places Project; the RGF project; the Nissan Business Incubator Quick Charge Project; legal fees associated with the Confederation and Gazelle; additional examination fees associated with increased direct delivery and higher than planned partner payments which reflect increased use of partners to exceed funding targets for both 19+ and SSU.
- Depreciation charges totalled £2,468,000 for the year which is lower than planned as a result of a review of estimated asset lives.
- Amortisation costs totalled £84,000 in the month as the College wrote off the remaining goodwill on the acquisition of Equality North East Ltd.
- The College generated a surplus of £106,000 in July resulting in a full year surplus of £45,000 despite the impact of FRS17 and unfunded pension liabilities together with the higher than hoped for use of partners.

The Director of Finance reported that the College had received some good news from the SFA this morning which was due to make a payment to the College based on its projected out-turn. It was noted that only nine colleges had excess performance paid in full. This was only achieved through being on-target on apprenticeships contracts. Of the nine colleges, Gateshead College was the highest performing in the country and had out-performed targets. It was the most aligned college in getting people into employment which was linked to the 10 Strategic Priorities. The Director of Finance reported that the College had bid for £750,000 for apprenticeships for this year so a bigger target had allowed it to over achieve by £324,000. A member suggested that the information could be used to boost College PR and the Director of Finance said he would ask the SFA to put it in writing. The Principal indicated that she would tell the Ofsted Team this piece of news.

A Member enquired how Gateshead College benchmarked against colleges of similar size and the Director of Finance replied that information from the national data meant that he could check against other colleges. A regional report had been done in the past and a benchmarking comparison report could be done in the future.

In terms of the Balance Sheet, the Director of Finance indicated that it remained strong with net assets of £19,538,000 (£49,147,000 with deferred capital grants added back). Fixed assets totalled £68,938,000 at the year end and have decreased in value across the year by £1,121,000 following depreciation of £2,468,000, additions of £1,356,000 and disposals with a net book value of £9,000.

Agenda No: 3

A Member enquired whether the £45,000 surplus might change. The Director of Finance replied that a few things could be held back for the FRS valuation for the pensions. The funding streams for next year had changed and he was awaiting new software. He had however built his own system and confirmed that the College ought to be on track to achieve its 16-19 target and should overshoot on adult provision by 0.5% for in-house delivery. FE income in general was over-target for this area (attributable in part to the adult loan availability). The College was aware of its weaknesses in HE provision, and this was a high cost area. The budget would be re-profiled and hopefully reduce the deficit.

Another Member thought that the College still needed to get to grips with payments to Franchise Partners. The Chair said that the Principal had included this in her comprehensive review of College activity.

RESOLVED to note the contents of the report

Management Accounts: August 2013

The Director of Finance introduced the Management Accounts for August 2013. He explained that they were based on very provisional enrolment data and therefore needed to be treated with a degree of caution. It was noted that the August figures carried the costs of Voluntary Severance Payments for staff who decided to leave after 31 July 2013.

- Income in August totalled £3,438,000 against a target of £3,704,000.
- SFA 16-18 income has been released in line with the budget because initial recruitment data indicates that the College is ahead of the same point last year with a greater proportion of full time learners which means that the College should exceed its allocation over the year.
- SFA 19+ revenue has got off to a good start with a greater proportion delivered in-house by the BID department than in previous years, and strong carry over volumes from last year in particular for apprentices.
- Other SFA funding for the NEET project and Skills Support for the Unemployed has been released in line with the budget.
- Other grants income is below budget for the month reflecting the ending of the Plugged In Places Project, together with the Business Incubator Project being in the initial build up phase.
- FE tuition fees are better than expected with a higher than expected take up of 24+ loans, in particular on the Access to Health Programme.
- HE tuition fees are down significantly against the budget with shortfalls in Leadership and Management, Construction and Creatively & Cultural offset particularly by better than planned revenue in Engineering and IT.
- Expenditure in August was high, reflecting Summer projects and start-up of the new academic year, together with the cost of voluntary severance payments where the decisions were made in August. The budget has been phased to reflect the high cost of voluntary severance in August. Overall expenditure was £4,109,000 against a budget of £4,193,000.
- Pay Expenditure was high in August due to a number of reasons including the costs of voluntary severance payments; salary costs of leavers whilst they served out their notice; higher than anticipated accrual for FRS17 and unfunded pensions which have been increased from £25,000 per month to £50,000; cost of a senior post holder remaining on the budget for an additional month as there were two Principals in August 2013.
- Pay costs should fall in September and again in October before rising again as

Agenda No: 3

new joiners come in to deliver key priorities such as English and Maths GCSE and areas of growth such as Games Design.

- Non-Pay Expenditure, excluding payments to partners, was £161,000 under budget in the month with adverse variance on teaching and learning resources and the summer marketing campaign to attract students for the new academic year, together with professional fees associated with the Nissan Business Incubator Project. However, there are favourable variances on premises reflecting the build-up of activity on Business Incubator and examination fees from the lower level of activity in August. This favourable variance on both premises and fees is likely to be eliminated over the coming years.
- Partner payments have been accrued on the basis of the level of income recognised and the expected split between in-house and partner delivery.
- Depreciation is below budget as a result of timing of new additions, in particular the Barmston Court development.
- The phasing of the budget in relation to voluntary severance, together with start-up costs meant that a deficit in the month of £490,000 was expected. However, higher pay costs and caution over the recognition of income means the actual deficit was higher by £181,000 at £671,000. By September 2013, any deficit is expected to be much lower.

In terms of the Balance Sheet, the Director of Finance indicated that it remained strong as it had done in July 2013. Fixed assets increased in value by £185,000 in August following additions of £387,000 and depreciation of £202,000. Additions were mainly small scale summer works and £372,000 spent on the Construction work at Barmston Court.

The Chair enquired what period would be covered by staff taking voluntary severance and the Director of Finance replied that everyone would be gone by the end of October 2013.

The Principal commented that because the College was likely to hit target around 19+ they would not have to go to Partners to address shortfall. They would be less likely to use Franchise Partners as had been done in the past.

The Chair thanked the Director of Finance for his comprehensive overview and recognised that he had a 'good grip' of the situation.

RESOLVED to note the contents of the report

1806 Reformation of Board Reporting Systems

The Principal introduced a report which updated the Board on decisions and actions which had been taken at the Governance and Search Committee meeting on 10 October 2013 in relation to a proposal to reform the style and form of reports which are brought to the Board and Sub Committees.

Traditionally reports had followed a narrative style and were often lengthy and focussed much of the content on what had gone before and did not reflect the future or consider wider issues. Recently the Board had been receiving reports which were more focussed on Key Performance Indicators and were RAG rated to allow members to clearly identify the areas where there are issues and thereby consider those issues. Feedback from Board and Committee members had been positive and suggested that these types of reports are clearer, more focussed and better at identifying what needs to be done.

Agenda No: 3

The new Strategic Plan identifies priorities and themes which are currently being actioned by the managers and staff in the College, however there is not currently a forum/Committee in place to begin to monitor progress against some of these objectives eg those related to people and business.

It was noted that recent changes to the make-up and constitution of the Executive Team had not been reflected in the reporting mechanism to the Board and Committees. Following discussions, Board members have identified a willingness to consider reports according to a “balanced” scorecard. The ‘Quadrant’ method, which considers the College’s four functions: Students & Learning, Corporate Services, People, and Business, has already been discussed as a way of doing this and has received some positive feedback.

It was noted that the following actions had been agreed at the Governance and Search Committee meeting: the Principal would work with Ivan Jepson, the Chair of the Governance and Search Committee, and the Executive Team to develop a template/framework for how this might work across all reports. These proposals would be brought for consideration to the Board meeting on 12 December 2013 and a suggested timescale for any initial changes to report formats would begin in January 2014.

The Chair said he thought the Quadrant approach would make more sense to every member of staff and allow messages to be received more clearly. A Member suggested having three monthly financial reports instead of monthly ones. The Chair replied that financial reports would feature under ‘Corporate Services’ and should include information on property and other things. He said that good progress had been made with this work to date.

RESOLVED to note the contents of the report

1807 Governors’ skills audit and health check

The Clerk introduced a report on the Governors’ skills audit and health check. She mentioned the Governance Health Check which had been commissioned by Druines last year to see how Gateshead College performed with other colleges and said that the feedback from this would educate the way in which reports were brought to the Board (as above).

She advised that at the Governance and Search Committee meeting on 10 October 2013, the members had reviewed the current composition of the Board and its committees. She reminded Governors that the Board of the College should contain the right mix of skills and expertise required in order to discharge its duties in relation to the management of the College. The Board needed to be the right size to be able to provide strategic oversight for each area of the College.

Governors are selected to sit on committees with the intention that, on the whole, their skills are matched to the committees on which they sit. There are also certain constitutional constraints on the membership of committees under their respective terms of reference.

The Clerk advised that when the Principal and Ivan Jepson did their work on the four areas they would look at which Governors fit into each of the quadrants. It was noted that the Board currently had a skills gap in core education following the departure of Vivien Shipley. The Academic Standards Committee was light on educational expertise which was vital to the College in light of its business. It was noted that the

Agenda No: 3

Governance and Search Committee had resolved to authorise the Principal to explore potential candidates who may be able to fulfil this role by looking at connections with local schools, universities and other educational institutions. It would be important to recruit someone not only with knowledge/expertise in the education sector, but also someone who recognised the importance of learner employability and preparing students for work, in line with the strategy and ethos of the College.

She indicated that the process would assist in identifying where further skills gaps exist and would also help educate further recruitment of Governors. It would also help to ensure that Governors had a more rounded awareness of other areas of the College; performance being measured against KPIs in a clear way, providing Governors with confidence and an awareness of each area of work, including key risks.

The Clerk asked Governors to send an updated CV/Biography to her in order to help with this process, outlining their key skills and expertise and also outside interests and external networks.

At the next Governance and Search Committee meeting on 23 January 2014, members will consider the ways in which Governors may be recruited on an ongoing basis and the possible creation of a "Governor pool". The Clerk noted the need for more diversity on the Board, representative of the communities we serve.

The need for ongoing Governor training had been identified and had been reported upon by the College's auditors. She indicated that Governors are made aware of training opportunities on an ad hoc basis by either Gwyneth Jones or herself. Governors should make the Chair or the Clerk aware of where they would like training in relation to the College's business. They should also consider signing up to umbrella organisations, such as the AOC or local networks, by which they could be regularly updated on changes in the law and regulation.

The Clerk asked Governors to consider how their training opportunities and access to useful information could be improved and suggested perhaps even dedicating one meeting per year to training on a particular area. The Principal thought that it might be good practice to have a 45 minute slot on Equality and Diversity or Safeguarding as they were a matter of routine. A Member suggested having essential reading for Governors.

The Chair enquired how quickly the Clerk wanted the CVs/Biographies and she replied that these were required by 20 November 2013.

A Member asked about quorums for meetings and wanted to know about the impact of Carver. The Clerk replied that the Carver review had been considered by Governors last year but it was not clear how to get the College to a fully Carver model without all the steps in between. The Chair of Academic Standards Committee referred to the Governance Health Check process which had been completed by Druines in October 2012 and asked if this was still appropriate because Governors had been told they had to do it. He said that in the past Governors had attended training sessions where an expert would come along and he thought that there was an advantage of training together rather than just online. He advised that he would be attending a 'Teaching, Learning and Assessment – Developing the role of Governors in Monitoring Quality' course in York on 5 November 2013.

Agenda No: 3

He also welcomed the news that Governance and Search Committee were looking to recruit Governors from educational backgrounds as both Allan Steele and Vivien Shipley had recently left the College. He advised that the Committee had an important meeting coming up on Wednesday 20 November 2013 at 3.00pm where the Self-Assessment Report would be considered. The Principal suggested that the meeting should be opened up to the wider Board. The Clerk advised that Catherine Dennis and Ian Renwick had expressed an interest in joining this Committee. A Member asked if someone from Middlesbrough College should be invited to attend the meeting. The Principal replied that there had been peer assessment and peer sharing with colleagues from Middlesbrough College and Gazelle had also been involved.

The Chair said he was happy with the Chair of Academic Standards Committee carrying on with the task.

RESOLVED to note the contents of the report

1808 Board Performance Reviews and Governor contracts

The Clerk introduced a report on Board member performance reviews and non-executive contracts. Under the terms of the Standing Orders that were approved by the Corporation on 4 July 2013, Governors are expected to undergo an appraisal of their performance both annually and at the end of their anticipated term of office (which is 4 years for co-opted Governors, 2 years for staff Governors, annually for student governors; with the Principal and the Sabbatical President of the SU enjoying ex officio appointments).

The appraisal will be carried out by the Chair, a Vice Chair and Principal, and, when the appraisal is for the Chair, will be carried out by the two Vice Chairs and the Principal. The outcome of the review will, where the Governor has reached the end of his or her term of office, be taken into account in determining whether or not Governance & Search should recommend that such Governor be reappointed by the Corporation.

At the meeting on 10 October 2013, the Governance and Search Committee reviewed the appointment of Keith Cann Evans, John McElroy, David Mitchell and Kevin Fitzpatrick; being those Governors whose 4 year term of office is due to expire before the end of January 2014. The Committee agreed that those Governors should be reappointed subject to the outcome of the said appraisal process. [Governors subsequently confirmed they were content with this suggestion].

The Clerk advised that the Governance and Search Committee had asked her to draw up template performance criteria for it to review and approve. She circulated copies of a proposed Governor Appraisal Form and asked for comments from Governors by Wednesday 20 November 2013. There was a need to recognise that the position of Governor is generally a voluntary one and Governors act without remuneration for the role so there was a balance to be struck.

The Non Executive Contract had been shown to the Governance and Search Committee and members were strongly in favour of its introduction. They had reviewed the contract and agreed that it should be presented to the Board with a view to being circulated after the meeting for signature by Board members. On appointment to the Board, Governors are expected to familiarise themselves with a variety of governance documents setting out how the Corporation operates, its powers and procedures, proceedings relating to its meetings and the conduct of its

Agenda No: 3

committees. A template for consideration by the Board was included in the report.

The Clerk referred to the commitment section of the template which said that Governors will devote so much of their time, attention, ability and skills as are reasonably required for the performance of their role and it is anticipated that this will require a minimum of 2 days per month. She also mentioned that Governors will be considered an advocate of the Corporation and shall not speak publicly in a way that could undermine its work or its strategy or in a way which is contrary to the collective view of the Board.

She referred to the Confidentiality section which read that Governors acknowledge that in the course of their role they will have access to and be entrusted with information about the Corporation's business and its financing, dealings, transactions, affairs, plans and proposals which is or may be secret, confidential or commercially sensitive. Any breach of this confidentiality would be grounds for the termination of office as a Governor. The reference to the grounds for termination of office would be included in the Instrument and Articles of Government and the revised document would be brought to the Board for approval in December 2013.

Whilst looking at the governance arrangements for the Confederation, Federation Board members will be asked to sign up to a Federation Board member contract. This would be a non executive contract setting out what is expected of governors and the terms on which they will serve the Confederation.

RESOLVED

- i) to note the introduction of the appraisal process, and put forward any suggestions to the Clerk for the criteria to incorporate into the appraisal form**
- ii) to work with the Clerk and Chair to facilitate their own appraisal when the time came**
- iii) to note the non executive contract for Board members and authorise the Clerk to circulate the document for signature by Governors**

A Member asked if Governors would get a rating and the Clerk said they would not. She asked for Governors to look at the form and feedback to her. She said that the College was travelling towards the Carver model but would not be embracing it in its current form, although the reformation of board reporting systems would go some way towards looking at a more rounded governance model.

1809 Franchise Provision 2012/13 and plan for 2014

The Director of Finance introduced a paper on Franchised Provision 2012/13 and the plan for 2014. He advised that the College is required by the EFA/SFA to produce an annual report on franchised provision where it represents more than 5% of funded activity. Last year the figure for the College was 38% and it is projected to be 24% next year.

It was noted that a table attached summarised the franchised provision for 2012/2013 by partner, curriculum sector, internal review outcome, success rates and volume of activity split by funding stream with the proportion paid to the partner identified.

Overall performance by partners has been good with success rates for Learner Responsiveness activity at 94% overall as the majority of the provision is delivered over a short period of time.

Agenda No: 3

Each partner is audited/reviewed on a regular basis by a central team independent of the contract managers and the information together with the success rate data is used to inform the continued use of partners.

It was noted that the College had established a central team to oversee the delivery of contracts at a total cost of £436,000 in 2012/2013. Considerable resources are also devoted to partners from the Data & Funding and Finance Teams to the management of provision.

The Director of Finance explained that following extensive performance review and evaluation of partners, the number being used for 2013/2014 had been reduced substantially from 23 down to 11 with the income generated from partners falling from £13,210,764 to £7,810,000 a reduction of £5,400,000 with a corresponding increase in direct delivery from £21,702,132 to £24,385,000 and increase of £2,682,868. The College is looking to decrease subcontracting further in 2014/2015 and beyond.

In terms of Risk Assessment, the first risk is on non-delivery of contracts by franchise partners. This risk is offset by rigorous monitoring by the central team who report to the Managing Director of Business, Innovation and Development and from regular performance updates supplied by Data & Funding and Finance. The second risk is from the potential damage to reputation if a partner delivers poor quality provision or delivers inappropriately. A detailed appraisal of partners has been introduced and as a result the College has discontinued working with a number of partners.

The Principal indicated that it was essential to reduce the cost of franchised provision. The people in the Director of Finance's team are working to support this. A Member commented that towards the end of the year there was a sudden surge in demand: how would Gateshead College cope with the surge without employing more staff? The Principal replied that recruiting their own staff would be the best way to do this; to assure quality and manage the risk, although short term partner provision would be an option. The Director of Finance wants to grow the amount of delivery, manage the Adult Provision Funding and reduce the amount of franchise partners; build in a flexible way using casuals and agency people for big contracts such as Jaguar Land Rover. The Chair said that from a business perspective, the College was heavily predicated on franchise provision. A Member enquired how the College would deal with a surge by Nissan and the Director of Finance replied that sub-contractors could be used for short-term work such as 2-3 weeks.

The Chair commented on 'reputational risk' and said that there was a need to ensure that students got the standard of qualifications expected from Gateshead College. The College was fighting back from the results of the Ofsted inspection in May 2012 and it did not want to be undermined by poor provision.

RESOLVED to note the contents of the report

1810 Update on Confederation

The Chair advised that the first Federation Board Meeting had taken place on 18 October 2013 and Mike Hopkins, CEO of the Federation, had outlined his short-term objectives. The aim was to make sure the objectives were closely understood by everyone involved. They would be entering education networks across the North East and Mike Hopkins would be supported in this work by Judith Doyle and Zoe Lewis, Principal at Middlesbrough College. Bond Dickinson would be acting as Clerk to the Federation Board. It had been a slow but considered start;

Agenda No: 3

Mike Hopkins was looking for support from the broader Gateshead College. There had been positive support from the SFA.

A Member said that the College did not want to lose sight of the 'triple lock'. The Clerk said that the appointment of Mike Hopkins as Federation CEO was within the terms of the Federation Agreement. The discussion around the Strategic Framework (Business Plan) will come back to the Board meeting in December 2013 and importantly Mike Hopkins will present to that meeting.

A Member asked about the reaction from staff and the Principal replied that it had been a positive one. Staff could understand the alignment with Middlesbrough College.

A Member mentioned the formal structure of the Federation Board and the Chair replied that there was still some doubt over the commitment of one of the Governors from Middlesbrough College. It was still formative at this stage.

1811 Board and Committee Appointments

The Clerk advised that two Governors from Gateshead College had expressed an interest to Governance and Search Committee to be appointed to the Federation Board, Emily Cox and Ian Renwick. Mike Hopkins, Zoe Lewis and John Autherson would be representing Middlesbrough College. Emily Cox had since withdrawn her interest due to work commitments.

The Clerk confirmed the recommendation of Governance and Search that Ian Renwick be appointed the Gateshead College representative and the Board approved this.

The Chair said that Moira Britton, a Governor at Middlesbrough College, could not support her appointment to the Federation Board due to other commitments. He was waiting for further feedback from Bob Brady, the Chair at Middlesbrough College as to who their representative would be. Once confirmed, we would assess the skills mix and consider the most appropriate second representative from Gateshead.

The Principal informed the Board there would be a ½ day between Gateshead College and Middlesbrough College on Wednesday 6 November 2013. This would involve Zoe Lewis and herself with key teaching and learning staff who could share good practice.

Academic Standards Committee

The Clerk confirmed to the Board the suggested appointments of Catherine Dennis and Ian Renwick to Academic Standards Committee. The Governors approved the appointments for at least an interim basis.

Audit Committee

The Clerk advised that Darren Heathcote had stepped in and attended the Audit Committee meeting on 16 October 2013 to make it quorate. The Principal, Vice Chair and the Chair of Finance and General Purposes Committee cannot sit on Audit Committee. She asked Governors to express an interest in becoming a Member of Audit Committee.

Agenda No: 3

RESOLVED to approve the appointments of Catherine Dennis and Ian Renwick to the Academic Standards Committee

RESOLVED to note the continued appointments of committee members for the next academic year

1812 Property Strategy Update

The content of this discussion is confidential, although the resolution of the Governors is open.

RESOLVED to note the contents of the report

1813 Amendment of Articles of Gateshead College Foundation

The Clerk introduced a report on the amendment of Articles of Gateshead College Foundation. It was noted that the current Articles of Association are not entirely fit for purpose as they stipulate that all directors are members, when in fact, Gateshead College is the sole member.

It was noted that the Charity Commission had been asked for consent under Charities legislation (they would consult with BIS). Charity Commission consent is required notwithstanding that Gateshead College and Foundation are exempt charities and therefore not registered with the Charity Commission. The Clerk envisaged that consent would be forthcoming.

RESOLVED to approve that the Articles of Association of Gateshead College Foundation should be amended to reflect the fact that it is wholly owned by Gateshead College, and in the form of the draft Articles attached to the notice of the meeting

1814 Any Other Business

14–16 Provision

The content of this discussion is confidential.

Student Governor Elections

Rebecca Anderson, Sabbatical President, advised that there had only been one candidate for the 19+ Student Governor role and three candidates for the 16-18 Student Governor role. She advised that the results of the 16-18 Student Governor election would be known on 4 November 2013.

International Activity

The Principal advised that her comprehensive review of all College work would include International Activity. The College would not be looking for new work but had been approached to set up a company in Malaysia. The Director of Finance indicated that a Joint Sports Facility had asked Gateshead College to manage it on their behalf. They were currently looking at legal arrangements in relation to the finances. If the College do decide to go forward they will be taking legal advice from Eversheds. At least two Malaysians would be required to sit on the Board. It was noted that this would need to come back to the Finance and General Purposes Committee.

Agenda No: 3

A Member mentioned that his daughter-in-law was working in Malaysia and said she might be able to help. The Director of Finance said that the College would have to work out how to fund the company. The Chair advised that he had set up a company in Malaysia before.

1815 Date of Next Meeting

The next Board meeting will be held on Thursday 12 December 2013 commencing at 4.00pm followed by Christmas dinner in the Greenhouse Brasserie.

1816 Chair's Review of Business

The Chair said that it had been a great start with Judith Doyle in post as Principal and quality standards in Academic Standards Committee. There was an urgency to fill the vacant Deputy Principal position. He thanked Governors for their ongoing support and said he was looking forward to a good 2014.