



MEETING OF THE BOARD OF GOVERNORS

WEDNESDAY 13 OCTOBER 2021

Report: Minutes of the meeting held on Tuesday 20 July 2021
Author: Clerk
Action: Approve
Status: Open otherwise as marked confidential

Present: Sarah Stewart (Chair)
David Alexander (Principal / CEO)
Aneela Ali
Robin Bailes
David Brind
Carol Davenport – virtual
Martin Hedley – virtual
David Mitchell – virtual
Claire-Jane Rewcastle – virtual
Michael Wood-Williams

In attendance: Andy Cole (Outgoing Principal / Strategic Advisor)
Ivan Jepson
Keith Oxspring
Chris Toon
John Taylor (ESFA)
Emma Moody (Clerk)
Suzanne Clark (Minutes)

3164 Chair's welcome, apologies, conflicts of interest

The Chair welcomed everyone to the meeting. Apologies were received from Martin Gannon, Paul Campbell, Nadine Hudspeth and Steve Campion. The Chair welcomed the new Principal / CEO to his first Board meeting since taking up post on 28 June 2021.

No governor declared any conflict of interest at this stage but governors were reminded that if a conflict arose during the meeting, they should declare it as soon as they became aware of it.

The Chair took the opportunity to formally recognise the contribution that John Hogg had made to the Board, following his decision to stand down (as communicated to the Board by email) since the previous meeting. The Chair asked that her and the Board's appreciation and gratitude for John's support to the College's recovery be noted.

3165 Minutes of the previous meeting dated 21 April 2021

The minutes of the meeting held on Wednesday 21 April 2021 were agreed as a correct record.

3166 Matters arising

Matters arising will be confirmed by email outside of the meeting.

3167 Chair's Report

A verbal update was given by the Chair.

The Chair reported that the College has recently received the Ministerial letter confirming its standalone status. The letter was sent by the current Interim FE Commissioner, Frances Wadsworth, on behalf of Gillian Keegan. Members were reminded that the recommendation for the College to remain as a standalone entity was subject to meeting a number of conditions imposed in September. The FEC team and the ESFA are satisfied that conditions have been met, and on that basis, the Minister has issued the letter to confirm standalone status. The College has been encouraged to open dialogue and look for opportunities to collaborate with others and there will be an ongoing regulatory interest in this area, and the College would continue to progress its work in this regard. The Chair will formally acknowledge receipt of the letter. Governor contribution to the outcome was recognised and the Chair asked that her personal and the Board's appreciation for the Outgoing Principal / Strategic Advisor, Interim Finance Director and other members of the Executive Team be noted. The Chair recognised that the efforts of these individuals has enabled the College to keep moving forward, particularly through the pandemic. The Chair also asked that the appreciation of the Board be recorded for the efforts of staff across the College.

The Chair highlighted that this was to be the final Board meeting for the current academic year. The first meeting of the Board in the new academic year will be the Autumn conference planned for 29 and 30 September 2021. It is hoped that as many members as possible will be able to join. The Chair has started working with the Clerk and the Principal / CEO to plan the agenda. Key themes will be equality, diversity and inclusion and the start of the process to create and develop the College's new strategic plan. The Chair indicated that she is keen for the Autumn conference to be onsite and for members to have as much exposure to College sites as possible. It is also planned to include opportunities to engage with staff and students.

Action: Chair to acknowledge receipt of the ministerial letter confirming standalone status.

The report was noted.

3168 Principal's Report

The Principal / CEO delivered a Powerpoint presentation setting out the key activities he had been engaged with/in since taking up post on 28 June 2021, recognising the overlap between him and the Outgoing Principal in the period since the last Board meeting. The presentation then set out key areas of focus for the future. A copy of the Powerpoint presentation is held on file.

The Principal / CEO noted his appreciation for the support he had received since taking up post.

The Outgoing Principal / Strategic Advisor confirmed he has been working with the newly appointed Principal / CEO to enable a smooth transition.

The Outgoing Principal / Strategic Advisor reported that he was very pleased that the staff conference on 25 June 2021 had taken place as a physical event. This was a fantastic celebratory event which enabled staff to come together. He noted his appreciation for the efforts of those involved in the organisation of the event.

The Outgoing Principal / Strategic Advisor took the opportunity to recognise the support of governors, both past and present, throughout the recovery period adding that he had felt well supported, particularly by Chris Macklin and John Hogg who he felt had undertaken critical roles. He also recognised the efforts of the Executive Team and in particular, the Deputy Principal: Curriculum and Quality for his leadership during the pandemic. He noted that the joint efforts of the Deputy Principal: Curriculum and Quality, Director of Business Development and Director of Marketing and Communications were testament to achieving such a positive outcome. The Outgoing Principal / Strategic Advisor passed on his best wishes for the future to all those present.

The Chair confirmed that the Outgoing Principal / Strategic Advisor has a number of days of employment remaining and, following discussion, it has been agreed that these will be retained with a view to using them in the next year, as and when necessary or desirable.

The Support Staff Governor recorded his personal appreciation for the Outgoing Principal / Strategic Advisor.

In response to the presentation by the Principal/CEO, a member highlighted the need to be cautious when setting out a business case in response to AEB performance. The Principal / CEO recognised this and indicated that any business case submitted will consider the impact of COVID on potential performance.

The report was noted.

3169 Update from Committee Chairs

Governance

An update on the work of the Governance Committee was provided by the Chair of the Committee.

Powerpoint slides were shared, copy on file, which set out the key areas of work for the committee including recruitment, induction, development and ongoing training of governors. The committee will be looking to continue to engage with members and ensure that governors are fully up-to-date with any changes in the FE sector. She noted that work has been undertaken to review the current governance arrangements in the particular areas of safeguarding, health and safety and information governance. The Clerk is working with Executive Team leads on a template assurance framework for these key areas of college operations. The framework will be shared with relevant committee chairs when available prior to taking them to that committee for consideration and, if thought fit, approval.

The Deputy Principal: Curriculum & Quality indicated that he was looking to have the draft template information governance framework available shortly. This can then be shared with other executive leads and hopefully adapted for the other areas of operation.

The Clerk advised that she will be contacting governors to establish current levels of expertise in relation to safeguarding, health and safety and information governance.

The Chair confirmed that Board self-assessment is planned and this will be relatively light touch for the current year having recently been through a rigorous process with ETF. The Chair will meet with all members individually to undertake appraisals by the end of the Autumn term. The review of clerking will be completed by the end of the calendar year. There are plans in place to also consider the appointment of a vice chair(s) by that date too.

People and Remuneration

An update on the work of the People and Remuneration Committee was provided by the Chair of the Committee.

Powerpoint slides were shared, copy on file, which set out the key focus of the previous meeting which was development of staff. An update was given on the College's Aspire process which had been refocused and was re-launched in March 2021. This is intended to be a flexible process and the system has been designed to be easy to use. Very positive verbal feedback has been received to date. 51% of staff have completed their reviews. An update and more formal feedback will be given at the next committee meeting.

A review of mandatory training is being undertaken which will consider how training is offered and whether training is meaningful to staff. The committee had been concerned that training was not up to date in certain areas and this created risk for the College.

The committee received an update on the College's gender pay gap. The College is in a relatively good position in relation to this and reported data is better than the national average.

An update on COVID data from 14 July 2021 was provided however it was noted that this information may now be out of date. At the time of producing the slides, there were 9 positive cases amongst staff **THIS ITEM IS CONFIDENTIAL AND NOT FOR PUBLICATION**. There were 15 students self-isolating **THIS ITEM IS CONFIDENTIAL AND NOT FOR PUBLICATION**. It was recognised that cases are currently rising both nationally and across the region. The College recently took part in an NHS quality assurance programme looking at the accuracy of lateral flow tests. **THIS ITEM IS CONFIDENTIAL AND NOT FOR PUBLICATION**.

A member asked whether there are any plans for the committee to consider whether the College has a diversity pay gap. The Chair of the People and Remuneration Committee indicated that whilst the committee had not considered this specifically, they would be looking at diversity more generally. The Chair advised that she would have a discussion with the Head of People and Organisational Development with a view to ascertaining whether this level of detail was currently available. The Chair confirmed that there will be further discussions in relation to this theme as part of the Autumn conference.

The Principal / CEO gave an update on current student COVID data. **THIS ITEM IS CONFIDENTIAL AND NOT FOR PUBLICATION**. There are also 11 learners self-isolating.

Curriculum and Quality Standards

An update on the work of the Curriculum and Quality Standards Committee was provided by the Chair of the Committee.

The Chair reported that the committee last met in May. The Chair highlighted the level of support from those involved in the committee. The committee received a range of feedback from staff across the College. The Chair took the opportunity to recognise the contribution of the former Director of Student Services following his recent retirement.

The committee had received reports on the College's post inspection action plan, quality improvement plan, curriculum planning, Higher Education and the teacher assessed grades process. The committee was assured that the required processes were in place for this.

The committee had been concerned to receive information on apprenticeship performance (around delays to completion) and the Deputy Principal: Curriculum & Quality was asked to give an update in relation to this. The Deputy Principal: Curriculum and Quality explained that apprentices complete their programme on a rolling basis rather

than having fixed start and end points within an academic year. There are currently around 800 apprentices required to complete by the end of July. There are some delays to this due to COVID and the capacity of awarding bodies to undertake the end point assessment process. There are also felt to be some issues around staff not understanding the importance of learners achieving on time. Around 100 of the late completions are felt to be due to COVID related issues as many apprentices have been furloughed due to issues around the service industry sector. 150 of the late completions are expected to move into either August or September which will mean the data will carry forward into the new academic year. The target for apprenticeship achievement is around 70%. The College would have achieved 69% if those still active had achieved. The impact of late completion will be success figures in the low 60%. The ESFA are fully aware of the challenges and this is felt to be a sector wide issue. The College team are working with learners and employers and management will look to reinforce the expectations around timing. Governors were advised that there is currently provision for this in the accounts and that any financial impact will therefore be negligible.

Audit Committee

An update on the work of the Audit Committee was provided by the Chair of the Committee.

The Chair reported that relationships are being established with the College's new external auditors, Mazars. The Chair having recently taken over the role had held an introductory meeting with the Clerk and Mazars. A tender process is now underway for internal auditors. There are 4 potential candidates in the tender process for internal auditor appointment and it is hoped interviews will be undertaken in August.

The Chair gave some assurances around his initial view of the external audit team following productive discussions.

This year's internal audits are currently taking place and the committee understands that everything is going well in relation to this. 72 days have been agreed for internal audit. In FE, normal expectations would be around 30 days however additional days have been agreed to give the Board additional assurances around the adequacy of internal controls and processes.

External audit is ongoing and Mazars have given assurance that they expect to complete on time.

The committee has recently reviewed the risk register. Primary health and safety oversight will sit with the Audit Committee and this work will progress once the assurance framework is in place (as noted above).

The Audit Committee have also discussed the College's contract register and review work is now underway to consider the adequacy of this and the committee will subsequently consider the outcome of this.

Carol Davenport left the meeting at 11.00am.

Action: Clerk to contact governors to confirm level of expertise in relation to safeguarding, health and safety and information governance.

Action: Chair of People and Remuneration Committee to discuss level of detail available in relation to any diversity pay gap with the Head of People and Organisational Development.

The reports were noted.

The report was presented by the Interim Finance Director.

In response to a member question, it was confirmed that the budget assumes that the FTC offices will not be sold.

The report and current strategy of continuing to market was endorsed.

3171 Management Accounts and KPIs – May 2021

The report was presented by the Interim Finance Director.

The Chair recognised that potentially being able to report a small surplus was very positive news. The Chair indicated that members would welcome the management accounts for June and July being circulated promptly when available.

Action: Interim Finance Director to arrange for management accounts for June and July to be promptly circulated to members upon becoming available.

The report was noted.

3172 Approval of Funding Contracts

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Martin Hedley joined the meeting at 11.15am.

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3173 Update on Catering Contract

A verbal update was given by the Clerk.

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The report was noted and delegated authority to oversee the final negotiation and execution of the contract confirmed.

3174 Approval of Budget for 2021/22

The report was presented by the Interim Finance Director.

In response to a member question, the ESFA representative confirmed that the non-sale of FTC offices had been discussed in a recent Case Conference. despite the disposal not completing, the agreed monthly payments to repay the ESFA loan will continue and the College needs to continue to comply. This is projected and assumed within the budget.

The Interim Finance Director confirmed to the Board that the budget included an assumption of additional contributions to the Tyne and Wear pension fund from August this year to March next year of £35k, at which point they would increase to £100k.

The Chair of the Finance and General Purposes Committee confirmed that the budget was discussed in detail at the previous committee meeting in June. The committee was pleased with the outcome for the previous year and had recommended the budget for approval. Members had questioned a number of the assumptions made and received the response required to give necessary assurance.

Another member of the committee confirmed that members considered the budget in great detail to fully understand the position. Members are looking to get better clarity on

the pinch points that would cause any cash pressures in the future, including the possible impact of additional learners, and will be working on these over the coming months with the new Finance Director so that the committee can track performance.

The Chair welcomed the assurances given by committee members.

The Chair recognised and commended the work of the Interim Finance Director in achieving the current position.

The budget for 2021/22 and its content was approved.

3175 Appointment of New Governors

The report was presented by the Clerk.

It was confirmed that references have now been received for both candidates and that background checks and due diligence has been undertaken. The Chair expressed a view that the skill set of those proposed are very appropriate. It is planned that there will be a further skills audit to identify any gaps within the governing body. The Chair highlighted that there are still vacancies on the Board should any gaps arise.

The Chair of the Curriculum and Quality Standards Committee commented that he very much welcomed the new governor appointments. He suggested that there is a need to consider the appointment of individuals with further educational experience. The Chair was very appreciative of this view and confirmed that Gareth Edmunds did have experience within education and that the Outgoing Principal / Strategic Advisor had agreed to remain as a member of the Curriculum and Quality Standards Committee until such a point where additional FE expertise for this committee is secured.

The report was approved and the Governors resolved to confirm the appointment of the two Governors and their appointment to the Committees specified therein.

3176 Calendar of Meetings for 2021/22

The calendar was presented by the Clerk.

The Clerk confirmed that following her previous request for availability from members, the draft calendar presented has been drawn up looking to consider any preferences for meeting dates and times. The Clerk asked that members contact her with any observations or issues with the scheduling of meetings prior to the dates being added to diaries.

The Chair recognised the number of additional meetings that had been required over the last year. There is intention, and ambition, for the new year to be a return to a more 'business as usual' approach. It is intended that the framework of meetings will be used to conduct Board business and only go beyond the schedule when absolutely necessary.

The Principal / CEO highlighted that there may be a potential need for an additional meeting of the Finance and General Purposes Committee in September, depending on current year outturns and any contracts requiring approval between now and the first planned meeting in the next academic year.

Action: Members to advise the Clerk of any potential issues with meeting dates asap otherwise diary invitations would be circulated.

The calendar was noted and members noted the potential for an additional, earlier, Finance and General Purposes meeting.

3177 Partnership and Subcontracting Assurance

The report was presented by the Director of Business Development.

The Chair advised that feedback from the latest AoC Chair's Network meeting suggested that the requirement to reduce subcontracting provision to 25% is causing issues for others in the sector.

The Director of Business Development reported that the College is currently awaiting a response in relation to the business case submitted however it was stressed that this is in relation to 2022/23 rather than 2021/22.

The Chair welcomed the report highlighting that this is an important policy for governors to understand.

A member of the Finance and General Purposes Committee advised that following the response received in relation to queries raised at the last committee meeting, he was confident that the College is moving in the right direction. The Chair recognised that this is an important and significant shift and acknowledged the potential changes to delivery required.

The report, the sub-contracting policy and plan for 2021/22 was approved.

3178 Risk Register

The report was presented by the Chair of the Audit Committee supported by the Clerk.

The Principal / CEO indicated that there were no items in the register that he would not expect to see. He added that there is a need to update some of the risk owners in light of the current transition and fluid movement on the financial position. He also felt that there was a need to consider changing some of the risk ratings and the College moved through its recovery. The register is comprehensive and in line with what you would expect in the sector.

The Clerk added that at the previous Audit Committee meeting, PwC as internal auditors had indicated that this content was what they would expect to see. They had suggested some deep delve activity/assurance work and this will be adopted by the committee.

The Chair of the Audit Committee advised that there had been some discussion around the review period which he felt should be dependent on the risk, its seriousness and rating, as well as any change in circumstance.

The Support Staff Governor suggested adding general IT failure to the register. The Outgoing Principal / Strategic Advisor suggested that this be cross-checked against the College's business continuity plans to ensure there is no duplication.

A member suggested that the potential risk with LGPS being the largest creditor of the College be considered as an additional area for inclusion. The Chair of Audit Committee indicated that this was potentially covered as part of financial stability. The Clerk highlighted that issues around pensions were sector wide and a more specific risk for the College might be the threat of orphan status in the event of financial deterioration. The member felt that due to the level of contributions this should be considered as an additional risk. This would be considered again as part of the Executive Team review in the first instance, before reporting back to the Audit Committee.

A member asked for confirmation of the handover arrangements in place for the incoming Finance Director. The Interim Finance Director advised that he has been liaising with the incoming Finance Director on an ongoing basis. There will be a handover from them coming into post on 10 August 2021. The Interim Finance Director confirmed that he can be flexible in relation to this and the handover can be as long or as short as the incoming

Finance Director and Principal / CEO need it to be. He added that following the initial handover period, he will continue to be available and contactable should the need arise. The Principal / CEO indicated that he was very appreciative of the flexible approach being offered by the Interim Finance Director.

Action: Business continuity plan to be checked to confirm whether IT failure is included.

Action: Pension risks to be considered and consider their inclusion on the risk register.

The report was noted and subject to the above, the risk register approved.

3179 Any Other Business

The Chair reported that she had received a request from John Taylor at the ESFA. The ESFA are seeking a number of governors to participate in a review of the financial dashboard. The ESFA representative added that this is very much an opportunity for governors to have some input into the modelling of the new dashboard. The Chair confirmed that she would circulate the information in relation to this and requested confirmation of anyone interested in participating. It was confirmed that this will be a one-off session and the ESFA were looking for governors who did not necessarily have a finance background. The Support Staff Governor suggested that he would be interested as did the Chair of the People and Remuneration Committee. The deadline for responses is 18 August 2021.

Action: Chair to circulate information from the ESFA in relation to the dashboard review.

3180 Date of next meeting

The next meeting was confirmed to be Wednesday 13 October 2021 at 10.00am.

The Board Autumn Conference is scheduled to take place on Wednesday 29 and Thursday 30 September 2021.