



MEETING OF THE BOARD OF GOVERNORS

WEDNESDAY 15 DECEMBER 2021

Report: Minutes of the meeting held on Wednesday 13 October 2021
Author: Clerk
Action: Approve
Status: Open otherwise as marked confidential

Present: Sarah Stewart (Chair – SS)
David Alexander (Principal / CEO – DA)
Aneela Ali (AA)
Robin Bailes (RB)
David Brind (DB)
Lisa Crichton-Jones (LCJ)
Carol Davenport (CD)
Martin Hedley (MH)
David Mitchell (DM)
Claire-Jane Rewcastle (CJR)
Michael Wood-Williams (MWW)

In attendance: Paul Campbell (Head of People and OD – PC)
Jeremy Cook (Deputy Principal: Finance & Resources – JC)
Darren Heathcote (Head of Student Services & Customer Experience – DH)
Nadine Hudspeth (Director of Marketing, Communications, Estates and Health & Safety – NH)
Ivan Jepson (Director of Business Development and Planning – IJ)
Chris Toon (Deputy Principal: Curriculum & Quality – CT)
John Taylor (ESFA – JT))
Sally Cooper (Clerk - SC)

3181 Chair's welcome, apologies, conflicts of interest

The Chair welcomed everyone to the meeting. Apologies were received from Martin Gannon and Gareth Edmunds.

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.

3182 Minutes of the previous meeting dated 20 July 2021

The minutes of the meeting held on Tuesday 20 July 2021 were agreed as a correct record.

3183 Matters arising and Action Log

The action log circulated in advance of the meeting was noted.

In relation to progress on the Capacity Fund Bid, the Principal/CEO confirmed that the bid had been submitted but to date the College had not received a response nor any confirmation as to the date when a response would be provided.

In relation to the diversity pay gap work, the Chair of the People and Remuneration Committee confirmed that the Committee would be progressing this work as part of its activities relating to diversity and inclusion.

3184 Chair's Report

A verbal update was given by the Chair.

In relation to the Governors' Autumn Conference, the Chair noted the positive feedback received and that governors had felt this was a useful time. The Chair requested governors should return their evaluation forms in order to provide their feedback and any further views on the event. The Chair noted the positive outcome of the walkabout around the site as an opportunity for governors to meet students and staff and the Chair and Principal/CEO were currently considering additional opportunities in the future for governors to have further opportunities to do this. The Conference had also provided an opportunity to start the College's strategy development, which board members will continue to be involved in. Planning is also underway for the governors' Spring Conference with a proposed date of 6/7 April 2022.

In relation to the annual board evaluation process, the Chair thanked governors for their time in undertaking the one to one meetings which had been informative and enjoyable, with a lot of ideas arising. The Chair requested that board members who had not already done so complete their board appraisal forms and skills matrix. The Chair also noted that the board questionnaire was being finalised and would be circulated the following week for governors' completion. Finally, it was noted that the process for the Chair's appraisal was being considered and a proposal would be taken to the Governance Committee meeting in November.

The Chair noted the desire to develop a board development programme, including induction for new governors, annual mandatory training as well as wider opportunities to engage with staff and students, development of new skills, sector insight and the opportunity to learn from fellow governors. An organisation known as "Changing the Chemistry" specialises in working with boards in areas such as unconscious bias and diversity of thought and the College is looking to engage with that organisation. Further information would be provided to governors in due course regarding the opportunities available.

The Chair asked governors to note the resignation of Sara Vening, noting Sara's contribution to the board. The Chair advised the reason for Sara's resignation was due to the time commitment involved with her new employment. The Chair advised that the College was looking to recruit two new governors, one to be the chair of the Curriculum and Quality Standards Committee and one with skills and expertise in the digital sector. The Chair advised governors that a quote had been obtained from **THIS ITEM IS CONFIDENTIAL AND NOT FOR PUBLICATION** to support the College in undertaking this recruitment process. The proposed fee for support was **THIS ITEM IS CONFIDENTIAL AND NOT FOR PUBLICATION**. The Chair noted that this was over the threshold of £5,000 where the College would seek 3 quotes prior to appointing a service provider, in accordance with the College's financial regulations. The Chair outlined that undertaking such a process on this occasion was felt to not be necessary or appropriate, due to the time scales involved and the time since **THIS ITEM IS CONFIDENTIAL AND NOT FOR PUBLICATION** had last worked with the College, as well as the purposes for

which the College proposed to engage **THIS ITEM IS CONFIDENTIAL AND NOT FOR PUBLICATION**. However, as such a proposed appointment would mean not securing quotes, the views and approval of governors to appoint Peridot to undertake this work was now being sought.

One governor noted that, in other board roles, he had instructed **THIS ITEM IS CONFIDENTIAL AND NOT FOR PUBLICATION** on a number of matters and on such occasions when they had tendered against different proposed providers, **THIS ITEM IS CONFIDENTIAL AND NOT FOR PUBLICATION** had been significantly more cost effective. Another governor noted the benefits of using Peridot given that they had supported the College so recently with the previous governor recruitment exercise, meaning **THIS ITEM IS CONFIDENTIAL AND NOT FOR PUBLICATION** would have the benefit of that recent insight into the College and that the further recruitment was in effect an extension of that work. Another governor commented that, although a specific comparative exercise had not been undertaken, the figure proposed was not unreasonable or out of line with expectations for the work proposed. Appointing **THIS ITEM IS CONFIDENTIAL AND NOT FOR PUBLICATION** for this work would also provide the benefit of continuity of approach. A further governor agreed that the fee proposed was not materially outside what would be expected in the marketplace and advised that in the private sector he would be charged a higher amount for recruitment support into non-executive director roles.

In light of the above, the board accordingly agreed to appoint **THIS ITEM IS CONFIDENTIAL AND NOT FOR PUBLICATION** to support with recruitment into the new specified governor posts, in line with the proposal summarised.

In relation to the College's clerking review, the Chair noted that an independent review at the College was currently underway, being conducted by Jenny Foot, who was an FEC national leader of governance. The clerking review report would be brought to the governors for consideration by the end of the year. In addition, the FEC had provided mentors to the Chair and the Principal / CEO, both of whom are national leaders of governance for the FEC. The Chair noted the benefits to the College in receiving this support from the FEC.

Finally, the Chair noted that the College is still in intervention and the next FEC stocktake visit was due to take place on 11 November 2021.

Action: Governors to complete conference evaluation form, board appraisal form and board questionnaire

The report was noted.

3185 Principal's Report

The Principal / CEO delivered a Powerpoint presentation. A copy of the Powerpoint presentation is held on file. Key themes of the presentation were an overview of recent activity in relation to the start of the new academic year and post-pandemic working and learning. The presentation also included a follow-up from the recent Governor Conference which set out the proposed timeline for the strategy development process including details of engagement, collaboration, strategy, planning and performance. Work will also continue in relation to regulatory engagement with the ESFA and FEC, progression of the Skills for Jobs whitepaper and ensuring learners continue to be at the centre of all activity.

In relation to the proposed strategy development process, the support staff governor noted that he welcomed the inclusion of staff and student workshops, with the opportunity to obtain the points of view of staff and students. Another governor asked about the involvement of governors in the development process, prior to board consideration at the Spring Conference and possible participation in workshops, which may also provide the

benefit of additional governor visibility. The Principal / CEO confirmed that these suggestions would be considered in further detail and noted the importance of governors being provided with the opportunity to input into strategy development between now and April.

In response to a question from a governor regarding proposed stakeholder engagement, the Principal / CEO confirmed that the proposal was to consult with a broad range of stakeholders including local employers, partners and other strategic organisations in Gateshead. He also noted the importance of ensuring that engagement with these stakeholders was ongoing beyond the strategy sessions. The Chair agreed that stakeholder engagement should involve as wide a range of stakeholders as possible.

In relation to committee KPIs, the Principal / CEO noted the proposal to bring into a composite paper the different committee KPIs for the board to review, in advance of developing a new suite of KPIs as part of the College's strategy development.

Action: Principal / CEO to consider additional Governor engagement in strategy development process.

The report was noted.

3186 Update from Committee Chairs

Governance

An update on the work of the Governance Committee had been provided by the Chair as part of the Chair's report.

People and Remuneration

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

The Committee had considered the employee engagement survey, which the Head of People and OD would report to governors on later in the meeting. The Committee had also considered the draft College People Strategy for the coming year which would be shaped by the College's broader discussions on strategy and values. The Committee chair noted that it may be beneficial for chairs of the different committees to communicate more regularly in relation to the pressing issues for their committees, in order to better inform the people strategy. Finally, the Committee had been focusing on mandatory staff training and how the levels of completion might be increased and the Committee was looking to prioritise this as an ongoing area of review.

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 Committee Chair noted that the normal comparative measures of progress and performance had not been available to the Committee this year due to the ongoing impact of Covid but the Committee had nevertheless been assured by the positive outcomes for students. The Committee retained a close focus on Maths and English as well as adult achievement and had asked the College to look at areas where there had not been an upward trend and identify where possible if there had been any underperformance and how the College could address these issues. The Committee Chair noted that apprenticeships continued to be a challenging area, particularly in relation to relating to final end point assessment sign-off. In part this was due to the impact of Covid, and there was a need for the Committee to maintain an oversight of further improvements that were required in this area

Finance and General Purposes Committee

An update on the work of the Finance and General Purposes Committee was provided by the Chair of the Committee.

The Committee Chair advised governors that the Committee had received preliminary enrolment numbers and can give assurance to the board that the Principal / CEO and the Deputy Principal: Finance and Resources have a firm grip on the College's current finances and there seems to have been no negative impact or delay due to the handover from the previous team. More broadly, the Committee has been looking at how it operates and discussing ideas to improve its operation, including the provision of more data and less prose in reports in order to effectively scrutinise, as well as an updated format to the management accounts and KPIs. In addition, each governor has been given a particular area of focus, enabling the Executive Team to discuss certain issues with the relevant governor on a more informal basis between meetings as required.

Audit Committee

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

The Committee Chair confirmed that the Committee would meet next week, with no particular issues or concerns to bring to the board's attention. In relation to the external auditors, the Chair was satisfied that they will be able to deliver the audit work within the required timescales and the Committee will continue to exercise detailed oversight in this area. The Committee Chair also proposed to meet with Committee members and auditors to discuss the effectiveness of the Committee and discuss how to shape the work of the Committee going forward.

The reports were noted.

3187 2021/22 Enrolment Update

The report was presented by the Deputy Principal: Curriculum & Quality.

The Chair noted that the end to the Furlough scheme had not immediately led to the increase in unemployment levels that some had predicted. A governor queried whether the increase in apprenticeships indicated a change in the market and whether these numbers offset against the 16-18 full time recruitment numbers in construction and health and social care. In response, the Deputy Principal: Curriculum and Quality advised that although there has been a shift towards apprenticeships in these areas and the College is expecting these areas to grow, there has still been a gap between the increase in apprenticeship enrolments and the decrease in some other types of course.

In response to a question from a governor regarding the risk of students dropping out between terms and whether the College could pre-emptively put in place any interventions to reduce this risk, the Deputy Principal: Curriculum and Quality noted that some students do move into apprenticeships where this is felt to be the most appropriate course for them, however more broadly in-year retention has historically been strong and the College has strategies in place to keep students engaged over holiday periods. In response to a question from a governor regarding the financial impact of apprenticeships students not completing their apprenticeships, the Deputy Principal: Curriculum and Quality confirmed that completion of end point assessments represented 20% of the College's funding received for apprenticeship provision.

In response to a question from a governor regarding new roles in healthcare and the College's involvement in engaging with the local NHS providers to understand how future healthcare jobs will change, the Deputy Principal: Curriculum and Quality advised that the

College is working with local employers and partners to develop the skills in their workforce that they will need in the future.

The report was noted.

3188 Financial Update

The report was presented by the Deputy Principal: Finance & Resources.

In response to a question from a governor regarding the College's ability to track additional income sources which are conditional upon successful outcomes, the Deputy Principal: Finance & Resources confirmed that the College will track this information during the course of performing the contract to understand how the College is delivering against the required targets. The College can therefore adjust the associated costs accordingly. In response to a question from a governor regarding the impact of energy costs on the College, the Deputy Principal: Finance & Resources advised that, although the College was part of the regional distribution network and so this provided some protection from energy price increases, there would still be a financial impact on the College from any wholesale energy price increases and this would be managed through non staff costs.

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In response to a question from a governor regarding the possibility of acquiring a formal waiver in advance of audit sign-off due to reporting ongoing concern, the Deputy Principal: Finance & Resources confirmed he would raise this point although noted that the ESFA may be unlikely to formally acknowledge this until the breach materialised, which is after audit sign-off.

The Chair noted that it was reassuring that this had been identified and raised with governors in advance.

A governor advised the board that the Finance and General Purposes Committee had been discussing whether the College's pension contributions could be listed as a separate line in the budget, in order for governors to see the true operational surplus given the increase in pension contribution levels. In response to a question from the ESFA representative, it was confirmed that the savings noted for reorganisations costs had not simply been delayed to the subsequent year, but these costs were no longer required as reorganisation had cost the College less than budgeted.

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The report was noted.

3189 Letter from ESFA (Interim CEO) to College accounting officers

The report was presented by the Deputy Principal: Finance & Resources.

The Deputy Principal: Finance and Resources noted that the College was dealing with the actions in the letter and there was nothing in the letter that was a cause for concern and the detail of the letter and follow-up actions would be considered at the Audit Committee.

The report was noted and the letter was received by the board, who authorised the Audit Committee to exercise more detailed oversight of this going forward.

3190 Review of Risk Register

The report was presented by the Deputy Principal: Finance & Resources.

The Deputy Principal: Finance and Resources noted that risk is a key area for review and the College's risk management framework is due to be reviewed as a priority within the College's audit plan which will go to the Audit Committee next week.

The Chair welcomed the review of the College's approach to risk management as well as the review to the register and noted the benefit in the internal auditors supporting the College with this process.

The report was noted.

The Head of Student Services and Customer Experience joined the meeting at 11:38am.

3191 Staff Engagement Survey

The report was presented by the Head of People and OD.

A governor noted the detailed discussion of this survey at the People and Remuneration Committee and noted that there were a number of positive messages in the survey for the College to build on. The Committee will now look at how to form the relevant engagement matrix into the Committee's KPIs. The Chair of the People and Remuneration Committee also advised governors that the Committee was drawing up a detailed plan in relation to how to engage with staff going forward including with staff focus groups.

The report was noted.

3192 Annual Safeguarding Report and Safeguarding Policy

The report was presented by the Head of Student Services and Customer Experience.

The Head of Student Services and Customer Experience advised governors that the policies had been considered in detail at the Curriculum and Quality Standards Committee, with the benefit of external review from the College's solicitors.

The Chair of the Curriculum and Quality Standards Committee advised governors that, as the nominated safeguarding governor, he continued to meet with John Gray, and latterly with DH, on a regular basis to discuss safeguarding at the College and remained assured that safeguarding at the College is effective.

The report was noted and the safeguarding policies were approved.

3193 Customer Feedback Report

The report was presented by the Deputy Principal: Curriculum & Quality.

The Chair noted that the feedback represented a point in time but the ongoing work and activities during the year are an important element that feeds into the survey results.

The ESFA representative suggested the College may wish to consider noting the number of complaints that had been onward referred to the ESFA, as this would be an indication of the number of complaints that the College had not been able to resolve satisfactorily internally. The Deputy Principal: Curriculum & Quality confirmed that no College complaints had been referred to the ESFA.

The report was noted.

3194 Public Interest Disclosure Policy

The report was presented by the Head of People and OD.

In response to a question from a governor, the Head of People and OD confirmed that work was proposed to promote the policy amongst staff and ensure that staff understood the policy and its parameters. The Principal / CEO confirmed that, as part of this, the College planned to discuss the policy at the upcoming trade union representatives meeting. The staff support governor welcomed this proposed engagement with staff and noted that some College staff were not familiar with the policy or its contents.

In response to a comment from a governor regarding the process-focused nature of the policy wording, the Principal / CEO advised that some of the wording was led by the relevant legislation, but noted the importance of communicating this effectively in the right way with staff, in a way that supports the College's culture.

A governor noted the importance of staff involved in the Policy receiving training, as issues can develop in this area very quickly so it is important for staff to be comfortable and confident with the policy and its procedures ahead of time, to mitigate the risk of the policy's effectiveness being undermined when it is used, or the risk of it being seen as a secondary complaints policy.

The report was noted and the policy was approved.

3195 Any Other Business

There was none.

3196 Date of next meeting

The next meeting was confirmed to be Wednesday 15 December 2021 at 4.00pm.

There is a Board training session scheduled to take place on Wednesday 10 November 2021, topic to be confirmed.