



MEETING OF THE BOARD OF GOVERNORS

FRIDAY 18 MARCH 2022

Report: Minutes of the meeting held on Wednesday 15 December 2021
Author: Clerk
Action: Approve
Status: Open

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)
Roux Diablo (RD)
Gareth Edmunds (GE)
David Mitchell (DM)
Michael Wood-Williams (MWW)

In attendance: Jeremy Cook (Deputy Principal: Finance & Resources – JC)
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))
Emma Moody (Clerk - EM)
David Hoose (Mazars – DH)

3197 Chair's welcome, apologies, conflicts of interest

SS welcomed everyone to the meeting. Apologies were received from Martin Hedley, Martin Gannon and Claire-Jane Rewcastle.

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.

SS reported this was DM's last meeting as a Governor. She gave thanks on behalf of the Board to DM for his long serving commitment to the College and to the Curriculum & Quality Standards Committee.

Governors had confirmed their endorsement of David's final term of office extending to today (as his four year term would have technically ended in October 2021)]

Appointment of 16-18 student governor

The report was presented by SS.

It being in the best interests of the College to do so, and in support of its effective governance, the Board agreed to appoint Roux Diablo to the Board of Governors, for an initial one-year term, such appointment to take effect immediately.

3198 Minutes of the previous meeting dated 13 October 2021

The minutes of the meeting held on Wednesday 13 October 2021 were agreed as a correct record.

3199 Matters arising and Action Log

The action log circulated in advance of the meeting was noted. Items would be covered today as appropriate and otherwise be tracked through to completion as set out in the log.

3200 Chair's Report

A verbal update was given by SS.

SS updated the Board on the FEC stocktake visit which took part in November. She confirmed that College remains in intervention but the FEC team is positive and supportive and recognises the College's progress. The College appears to be moving towards post intervention monitoring support. The FEC team had recognised the positive strength of leadership and governance, and the quality of educational provision for students. They were supportive of plans around collaboration but now keen to see the impact of that collaborative work.

JT confirmed that the ESFA would see the College moving into post intervention monitoring support with changes in frequency of case conferences in recognition of that. There was still a firm focus on financial outcomes and the satisfaction of the ESFA loan terms.

The report was noted.

3201 Principal's Report

DA delivered a Powerpoint presentation. A copy of the Powerpoint presentation is embedded below.



AGIT 05 DAX -
Board of Governors

Key themes of the presentation were:

a) *COVID update.* Face to face learning continues as per Government guidance. The College retains its focus on providing a safe and compliant environment. "Office staff" will be able to work from home. Staff and student numbers with covid remain relatively low (below 10). The College is not aware of any new variant cases.

b) *Strategy Development.* A consultation on the current College strategy had been launched to staff, students and the wide community during December. 459 responses had been received so far. This was a good mix of students, staff and "friends of" the College. There will be a number of 1-2-1 key stakeholder meetings conducted by an independent external third party during January to discuss the College strategy in more details. Also

planned are face to face facilitated sessions and workshops, and the Board meeting on 2nd February.

The Board endorsed the level of engagement and work being undertaken to take into account the views of stakeholders in informing the strategy of the College.

c) *Development of KPIs and anticipated outcomes.* These are being developed in tandem with the strategy development. The College is also considering its risk management and procurement processes and further work would be done around this next year.

The Principal confirmed that the Business Efficiency Group set up during financial crisis would be re-named and re-focused in light of the strategic work mentioned above.

d) *the AoC Annual Conference.* This was attended by the executive team – an in person event in Birmingham. It was a good event for networking primarily, rather than being a source of new sector intelligence.

e) The College had recently hosted some key events, including a North East LEP Enterprise Adviser Event on 24 November. DA advised that the College is working with the LEP on a place-based approach to support local Enterprise Advisers linked to Gateshead Schools with information and advice about post 16 options. The College had also hosted a NELEP/AoC NE Principals Event on 8 December at the Baltic Campus.

f) Ongoing regulatory engagement with the ESFA. The.

g) *Collaboration activity.* This was continuing across the region, with colleges and other regional partners. (CD noting an interest in collaboration activity with Northumbria University).

The report was noted and the Board noted its appreciation of the work undertaken.

3202 Update from Committee Chairs

Governance

An update on the work of the Governance Committee was provided by SS. This would form the substantive Governance related items on today's agenda.

People and Remuneration

An update on the work of the People and Remuneration Committee was provided by SS in the absence of CJR.

Mandatory training remained under review, and the Committee was reviewing its people strategy in line with the development of College strategy generally.

Curriculum and Quality Standards Committee

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

The SAR would be covered substantively at the Board meeting today.

The Committee had also received the safeguarding assurance framework and an enrolment update. 16-18 full-time enrolments were lower than target, with there being an increase in apprenticeship numbers and this would be picked up in the management accounts later.

Finance and General Purposes Committee

An update on the work of the Finance and General Purposes Committee was provided by DB in the absence of Martin Hedley.

The Committee was working well and work had been undertaken in relation to the presentation of management accounts – the desire being for user friendly, plain English, accessible information.

Other substantive matters would be covered later on the agenda.

Audit Committee

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

Relationships with auditors were working well. Meetings of the Committee were effective largely due to the quality of paperwork.

Substantive matters would be covered later on the agenda.

The reports were noted.

3203 Self-Assessment Report 2020/21

The report was presented by CT.

CT highlighted the process for developing the SAR and informing the outcomes.

In relation to apprenticeships, the College had seen some improvement in this area with achievement moving towards national rate. Despite this, there was still work to do to ensure timely achievement, effective EPAs and preparation for the same, and optimising the new apprenticeship framework. This area is still graded RI, but this recognised the progressive journey the College was on in this area.

In relation to Leadership and Management, at the last full inspection, the financial crisis impacted on this grade and concern that resource constraints would negatively impact on curriculum output. However, the journey of improvement was noted in this area, and recognition that student outcomes had remained high.

In relation to teaching and learning, the progression rates into employment and industry remained strong, the teacher training academy still delivered effective outcomes for teachers, safeguarding remained strong and students feel safe.

There remained challenges, especially to support curriculum leaders in their financial and people management.

The College report did not seek to use covid as "excuse" for any predicted outcomes, but instead the College delivery remained effective despite covid and its impact on learning.

DB: asked what would happen if country went into another lock-down and if College would be able to provide solutions and address previous lessons. CT replied confidently in confirming the College's contingency planning for this event, and lessons learned from the first lock-downs.

GE: Commented about students with high needs and commended the College for its outcomes for students in this area.

The Board approved the Self-Assessment grades as recommended by the Curriculum & Quality Standards Committee and an overall Grade of 2 "Good".

3204 Governance Update

Board Self-Assessment

The report was presented by EM.

The self-assessment process had been thorough and had identified areas for development that would be taken forward with the oversight of the Committee. On the whole, the Board self-assessment reflected positively on the Governors own assessment of the Board's effectiveness.

The report was noted.

Board Development Plan

The report was presented by EM.

EM reported briefly on the revisions to the AoC Code and highlighted the importance of Governors being aware of this emphasis, and have a strategy as to how it would govern the College in relation to these emerging areas, particularly in relation to EDI and environmental sustainability. These areas were already being discussed and the Governance Committee would consider this in more depth at its next meeting.

The report was noted.

Action: Governance Committee to consider revised AoC Governance Code and impact on governance generally at its next meeting.

Clerking Review

A verbal update was given by SS.

The Board approved the recommendation of the Governance Committee and agreed to pursue the recruitment of an in-house Director of Governance and Compliance.

Safeguarding Governor Appointment

Governors approved the appointment of MWW as Safeguarding Governor in the place of DM, recognising MWW's experience of safeguarding from his work with the Scouts.

Vice Chair Appointment

A verbal update was given by SS.

The report was noted and it was confirmed that the last interview would be concluded by early in the New Year and the Board would be asked to pass a written resolution to confirm the appointment before the next meeting.

New Governor Appointments

A verbal update was given by SS.

SS confirmed that the recruitment process had not identified suitable candidates to recommend to the Board for approval. A period of reflection would be undertaken with a view to considering how best to fulfil those Governor roles, whether or not working with the recruitment agent again.

The report was noted and it was confirmed that interim arrangements would be put in place for the Chair of Curriculum and Quality pending permanent recruitment.

3205 Barclays Loan Redocumentation

The report was presented by JC.

JC confirmed this had been reviewed by joint meeting of Finance and General Purposes and Audit Committee. JC confirmed he had followed up on questions raised by that Committee with Barclays. In particular, he confirmed that the employer pension liabilities were included in the projections and that EBITDA took this into account.

JC referred to the Board authorities required in accordance with the finance documents to authorise the execution of the same.

The Board approved the resolution to delegate authority to JC and DA to oversee the final negotiation of the finance documents, gave authority to the execution of the Officers' Certificate DA, and authorised the execution of the Amendment and Restatement Agreement and the execution of any associated transaction documents by SS/the Chair of the Corporation and DA/the Principal/CEO for and on behalf of the Board, and authorising EM as clerk to the Corporation to support the taking of any administrative or other action as required, including signing documents, to ensure the completion and delivery of the executed documents.

3206 Draft Financial Statements 2020/21

Audit Committee Annual Report

The report was presented by JC who reminded the Board that the documents had been scrutinised by the joint meeting of Finance and Audit Committees on 1 December.

The report was noted.

Self-Assessment Regularity Questionnaire

The report was presented by JC.

The Board approved the SAQ for signature by the Chair and Principal prior to submission to the external auditor.

External Auditor Findings Report

DH joined the meeting at 5.10pm.

He confirmed matters amended since the joint meeting of the Audit and Finance & General Purposes Committee, regarding the adjustment to the Test Track accounting valuation taking into account the value of the capital grant.

Otherwise, with nothing other to note, DH confirmed this was a clean audit report and supported its presentation to the Board.

The report was noted and the College finance team commended for work undertaken in support.

Gateshead College Financial Statements

The report was presented by JC.

JC noted the matter highlighted by DH and its impact on the balance sheet.

JC highlighted the movements between September management accounts and the final out-turn (refer to the paper). The most significant being the successful outcome of the AEB business case.

JC confirmed that the final 2020-21 out-turn provided a solid basis from which the College would now seek to achieve longer-term financial sustainability, However, JC outlined that there was still work to be done in achieving this, as a number of items arising during 2020-21 had been of a non-recurring nature. The College cash position was relatively stable despite the loan covenant position and this would remain under continuous review.

In response to a question from SS, JC confirmed that the anticipated breach of loan covenant would not impact the College going concern status as both main lenders had confirmed that the breach would be waived and therefore there would be no adverse impact on these accounts. The ESFA team had worked positively with the College through this process.

The Board approved the financial statements for signing by the Chair and Principal and approved the Letter of Representation to be signed by the Principal/CEO.

Subsidiary Company Accounts

JC referred to the table at page 4 of the pack summarising the subsidiary company performance. Only two subsidiary companies remained active. The accompanying narrative was on p15. These accounts would be completed in advance of their own filing deadlines.

The Board received the update and statements on College subsidiary companies.

3207 Management Accounts – October 2021

The report was presented by JC.

JC reported that the position would be reviewed regularly throughout the year. Whilst the last outcome on AEB funding was positive, this year, the team was projecting a £500k shortfall against allocation from the ESFA.

Apprenticeship activity remained strong.

Pay cost variances were slightly positive and the College was retaining tight control of non-pay costs. JC referred to staff cost ratio and confirmed this includes additional pension payment contributions. In the future, this figure would also be shown with a version excluding the additional pension contributions for reference/comparison purposes.

The report was noted.

Action: future management accounts to report staff pay ratios both inclusive of, and exclusive of, enhanced pension contributions.

3208 Risk Register

The report was presented by JC.

JC confirmed that following the joint meeting of Finance and General Purposes & Audit Committees, the presentation of the document had taken into account the feedback and revised with this in mind.

The work of Wylie and Bissett would feed back into the next meeting of the Audit Committee.

The report was noted.

3209 Human Trafficking and Modern Slavery Statement

The report was presented by DA.

GE asked if the statement would be built into the work with procurement.

DA confirmed it would be published and considered as part of the wider procurement strategy.

The report was noted.

3210 Any Other Business

Once again, thanks were expressed to DM for his commitment and support to the College.

3211 Date of next meeting

The next meeting was confirmed to be Wednesday 2 February 2022 at 2.00pm. This will be followed by a Board development session.